LOUISIANA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014

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State of Louisiana
Comprehensive Annual Financial Report
for the Year Ended June 30, 2014

BOBBY JINDAL
Governor

Prepared By
DIVISION OF ADMINISTRATION
KRISTY H. NICHOLS
Commissioner

On the Cover

Exploring Louisiana's Key Industries. Louisiana is home to strong traditional industries, such as petrochemicals and shipbuilding, as well as newer growth industries with strong foundations in technology and research. Our state continues to work aggressively to strengthen our business environment, diversify our economy, and promote business investment opportunities. Louisiana's key industries include:

- **Aerospace—**Unrivaled infrastructure, highly-skilled workforce, and competitive incentives are fueling Louisiana's thriving aerospace industry.
- **Agribusiness—**Innovative research centers and a wealth of raw materials aid a billion-dollar agriculture industry.
- **Energy—**Strong infrastructure, workforce, logistics, and regulations present an ideal situation for energy companies.
- **Entertainment—**Incentives in digital media, live performance, motion picture, and sound propel a billion-dollar industry.
- **Manufacturing—**A favorable income tax environment and strong infrastructure provide the resources companies need to thrive in Louisiana.
- **Process Industries—**Highly skilled talent and an abundance of natural resources make Louisiana a smart choice for the process industries.
- **Software Development—**Software companies are taking notice of Louisiana courtesy of the strongest incentives in the U.S.
- **Water Management—**Expertise in water management combined with geography make Louisiana a thriving market for exploration.

Photo Credits

Front Cover:

- Top-left: Construction of the IBM Services Center – Baton Rouge is currently under way. The company will create 800 new direct jobs.
- Top-right: In May 2014, Chiquita announced it would return its shipping operations to the Port of New Orleans.
- Bottom-left: The renovated Saenger Theatre in New Orleans is hosting Broadway tours. Photo by Will Crocker.
- Bottom-right: With its proximity to the Mississippi River and the Gulf of Mexico, Louisiana is the ideal location for water management companies.

Back Cover:

- Top: In August 2014 construction began on Bell Helicopter's Lafayette Aircraft Assembly Center, where the new Bell 505 JetRanger X(TM) helicopter will be built.
- Center-left: Founded in Houma, Louisiana, in 1974, K&B Machine Works is a leader in oilfield manufacturing and well-completion products.
- Center-right: More than 80 percent of U.S. oil rigs are located on Louisiana's outer continental shelf.
- Bottom-left: In February 2014, Westlake Chemical completed a $425 million chlor-alkali plant in Geismar, Louisiana.
- Bottom-right: Louisiana's State Capitol.

Bobby Jindal

Governor

State of Louisiana

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STATE OF LOUISIANA
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I. INTRODUCTORY SECTION

BOBBY JINDAL
GOVERNOR

KRISTY H. NICHOLS
COMMISSIONER OF ADMINISTRATION

State of Louisiana

Division of Administration
Office of the Commissioner

December 19, 2014

To: The Honorable Bobby Jindal, Governor,
Members of the Legislature, and the
People of the State of Louisiana

State law requires that the Comprehensive Annual Financial Report (CAFR) be prepared for the State within six months after the close of each fiscal year. It is my privilege to present the CAFR on the financial condition of the State of Louisiana for the fiscal year ended June 30, 2014. The report was prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Division of Administration is responsible for the accuracy, completeness, and fair presentation of the data, representations, and disclosures presented in the CAFR. To the best of our knowledge and belief, the data presented are accurate in all material respects, reported in a manner designed to fairly present the financial position and results of operations, and provide disclosures necessary to enable the reader to gain an understanding of the financial activities and condition of the State.

The Division of Administration and fiscal management at each CAFR agency are responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and that accurate and complete accounting data are compiled to provide for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe that the internal accounting controls of the State adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

The State of Louisiana's basic financial statements have been audited by the Louisiana Legislative Auditor and he has issued an unmodified ("clean") opinion on the State of Louisiana's financial statements for the year ended June 30, 2014. This audit report is located at the front of the "Financial Section" of this report.

The independent audit of the basic financial statements of the State of Louisiana was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the internal controls of the government and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the separately issued Single Audit Report for the State of Louisiana.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements the letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Located on the Gulf of Mexico and bordered by Arkansas, Texas, and Mississippi, Louisiana serves a population of 4,625,000. The powers of government of the state are divided into three separate branches: legislative, executive, and judicial. Except as otherwise provided by the Louisiana Constitution, no one of these branches, nor any person holding office in one of them, shall exercise power belonging to either of the others.

The State provides a variety of services to citizens including education, health care, public safety, road and highway development and maintenance, and recreation. These services are financed primarily through taxes, fees, mineral royalties, and federal revenues, which are accounted for by various funds (general fund, special revenue funds, capital project funds, etc.).

The State financial reporting entity includes 57 active component units, which are reported discretely in the financial statements. These component units include colleges and universities, boards and commissions, ports, levee districts, and other special purpose authorities.

Final financial control is exercised through the budgetary system. Financial statements are presented in conformity with GAAP and are also presented on a non-GAAP budgetary basis to demonstrate legal compliance. Variances between the GAAP and non-GAAP budgetary presentations are caused by differences in reporting entity, accounting basis, and perspective. The budgetary process is further described in Note 1 of the basic financial statements and the reconciliation between GAAP and non-GAAP budgetary basis fund balances is presented as required supplementary information.

ECONOMIC CONDITIONS AND OUTLOOK

Economy

Louisiana is in the midst of an industrial boom unlike any other in our history. The State has over $100 billion in industrial projects either under construction or in the engineering and design phase. It is projected that the state will add another 63,500 jobs in the next 2 years. The key factors that are driving this boom period include the following: 1) the national real gross product growth should average less than 3% a year; 2) the oil price is expected to drop; and 3) the natural gas price in the U.S. is expected to increase about 20 cents per million British thermal units and we anticipate the price of this fuel in Europe to remain about three times higher than the domestic price, enabling Louisiana's chemical industries to consume a large portion of Europe's share of the world chemical market.

Louisiana has the greatest concentration of crude oil refineries, natural gas processing plants and petrochemical production facilities in the Western Hemisphere. Louisiana is the nation's #2 producer of oil and natural gas (if production from the federal waters in the Gulf is included). Louisiana contains just under 10 percent of all known U.S. oil reserves and is the country's third largest producer of petroleum.

Louisiana's economy is quite diverse, as can be seen in comparing the Metropolitan Statistical Areas (MSAs) of Louisiana.

- New Orleans, the State's largest MSA, is projected to add a solid 17,300 jobs or 1.6% annually. There is $13.7 billion in industrial projects and $3.6 billion of those projects are currently under construction. Some of these projects are Nine Mile Point, Dyno Noble International, and Marathon Refinery. Another $2 billion by the U.S. Army Corps of Engineers and $826 million in improvements to the Louis Armstrong New Orleans International Airport is also projected for this MSA. Also, it has been projected that there will be three new high-tech firms (GE Capital Technology, 4th Source and Performance Software) in New Orleans and the surrounding area.

- Baton Rouge is the second largest MSA. There are an estimated 394,200 jobs in this MSA. It has been projected that in 2015, this MSA will reach the 400,000 job employment barrier for the first time in history. It has been tabulated that $16 billion in announced industrial expansion will occur in this MSA. Of that amount, $6.6 billion is currently under construction or near completion and $9.1 billion are waiting financing, etc. to begin construction. Some of the projects in progress or soon to be underway include Dow Chemical's plan to spend $1.06 billion on two polyolefin plants and other capital upgrades; Methanex Corporation is in the process of spending $1.1 billion to relocate two idle methanol plants from Chile to Ascension Parish; and Shintech has $500 million in expansions underway at its facilities in Addis and Plaquemines Parish. Also, over the next two years, $296.8 million in state road projects and an estimated $347 million in sewer repairs has been scheduled for this region.

  Natural gas has fallen sharply in the U.S. but have actually risen in Europe. Chemical firms are huge users of natural gas. The price advantage in the U. S. has been translated into a price advantage for the U.S. chemicals over those produced in Europe. Consequently, U.S. firms (including Louisiana firms), are cutting into Europe's share of the world chemical market. Included among the drivers behind the $16 billion in industrial announcements in the Baton Rouge area are the numerous pipelines in place to deliver natural gas to the plants in Baton Rouge and the location of the city. It lies next to the Mississippi River, which is an excellent waterway for transporting the bulk production of this industry by barge.

- The third fastest growing MSA in the state is projected to be Houma. This MSA is benefitting from the surging activity in the Gulf. Port Fourchon is spending half a billion dollars on expansion and the supply vessel maker/operator Edison Chouest is hiring hundreds of shipbuilders and crew members. The Houma MSA is expected to add 4,500 jobs, about 2.3% annually.

- The boom in the Gulf will have an optimistic outlook for the Lafayette MSA. It is expected that 5,700 jobs will be created over the next two years. This performance will make this MSA rank fourth among the eight MSAs. Oil field service firms such as Haliburton, Danos, and Frank's International are expanding and three new high-tech firms are choosing this MSA for their home.

- There has been $81.7 billion in industrial announcements for the Lake Charles MSA. Of the total, $30.2 billion is currently underway. This MSA will add 12,000 jobs over the next two years. It is expected that the Lake Charles MSA will break through the 100,000 non-farm jobs barrier in 2015.

For the state as a whole, it is projected that there will be robust progress over the next two years, adding 34,100 jobs in 2015 and 32,600 jobs in 2016. Louisiana began setting employment records in January 2013 and has been steadily increasing ever since. If the projections are on target, Louisiana will have more than 2,000,000 non-farm employees sometime in 2015 for the first time in history.

The information for the economic discussion is from The Louisiana Economic Outlook: 2015 and 2016, by Loren C. Scott, James A. Richardson, and Judy S. Collins, published in October 2014.

Major Fiscal Initiatives

One of the main focuses of the 2013 legislative session was passing the state's fiscal year 2014 budget. Article 7, Section 10 (F) of the Louisiana constitution requires the Legislature pass a balanced budget each year. Rather than raise taxes on Louisiana businesses and families, policymakers instead worked to make government live within its means by continuing to reform and restructure government to improve and protect critical services.

Some of these efforts included:

- The Office of State Purchasing and the Office of Contractual Review merged into a single Office of State Procurement in the Division of Administration, centralizing procurement of services as well as reducing the potential for fraud. Centralizing operations makes the contracting and purchasing process more efficient, less costly, and more user-friendly.

- The Division of Administration began a statewide IT consolidation project in FY 14 that sought to reduce duplication among technology systems – both hardware and software – and centralize the standard departmental functions. Shared processes/services, computer servers, and other computer equipment combined with unified standards of practice for many of state government's processes across all state agencies will save the State money while increasing service levels.

- The Department of Environmental Quality, the Department of Natural Resources, the Department of Wildlife and Fisheries, the Division of Administration and the Louisiana Department of Revenue worked to consolidate and share back-office functions such as human resources, information technology, and finance for the agencies.

- The Louisiana Department of Revenue integrated new fraud protection software to increase the efficiency and effectiveness of the agency's fraud prevention efforts.

- The Department of Corrections centralized pre-classification functions and transformed prisoner care by increasing clinical exam capacity, procuring third-party mobile services to serve prisoners on-site and increasing the use of telemedicine to connect with doctors remotely.

Relevant Financial Policies

As previously mentioned, Louisiana's Constitution requires the State to pass a balanced operating budget. The Constitution also provides for an annual expenditure limit to control the rate of spending. The expenditure limit is determined each fiscal year and is established during the first quarter of the calendar year for the next fiscal year. The limit is equal to the expenditure limit from the previous fiscal year multiplied by a positive growth factor. The growth factor is the average annual percentage rate of change of personal income for Louisiana as defined and reported by the United States Department of Commerce for the three calendar years prior to the fiscal year for which the limit is calculated.

The State has restrictions on how revenues designated as "non-recurring" can be spent since these revenues cannot be relied on in future budget periods. Constitutionally established percentages of non-recurring revenues are required to be deposited in the Budget Stabilization Fund and paid to fund the actuarially accrued liability of State pension plans. Any remaining amounts of non-recurring revenues may be used for purposes provided for in the Constitution including but not limited to the repayment of bonds in advance of maturity, additional payments to fund the unfunded accrued liability of the State pension plans, funding for capital outlay projects in the comprehensive state budget, and to fund conservation and restoration efforts for Louisiana's coast.

To aid the State in balancing its budget in years of declining revenue, the Budget Stabilization Fund was created. The fund was created in 1998 and receives its monies from excess mineral revenues, non-recurring revenues, monies in excess of the expenditure limit, and other monies appropriated by the legislature. The monies can be spent if the official forecast for recurring revenues for the next fiscal year is less than the official forecast of recurring revenues for the current fiscal year, or if a deficit for the current fiscal year is projected due to a decrease in recurring revenues. At the end of the fiscal year, the fund balance in the Budget Stabilization Fund was over $444 million.

The State's fiscal status is constantly monitored to ensure that the State is spending within its means. Any projected budgetary deficits are required to be resolved within 30 days, otherwise a special session of the Legislature is required to be held. The governor has several means by which to resolve projected deficits including appropriation reductions and accessing funds that are normally statutorily or constitutionally protected, in addition to the use of the Budget Stabilization Fund mentioned above.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Louisiana for its CAFR for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

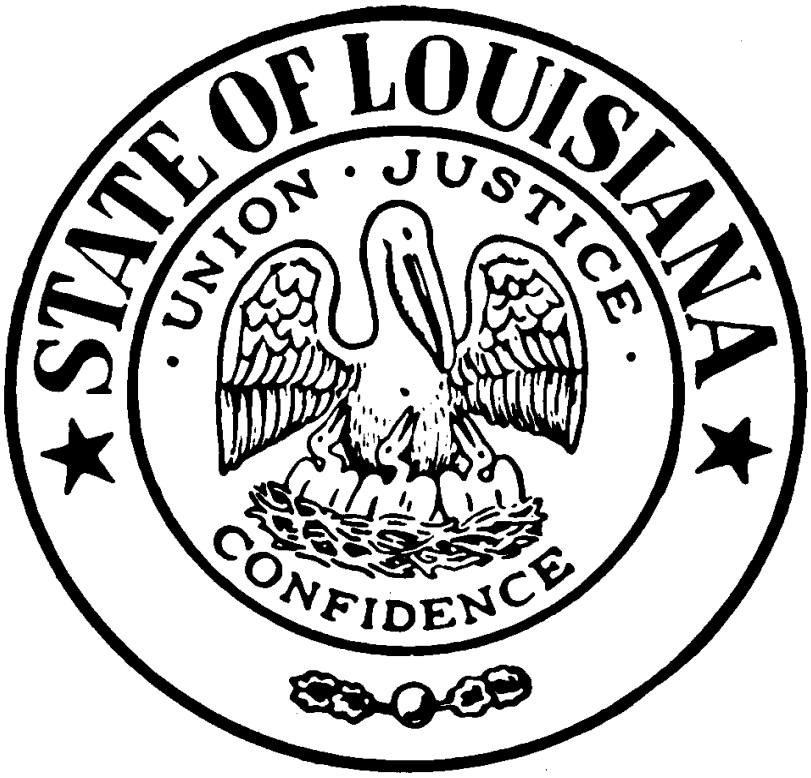
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In conclusion, I wish to express my appreciation to the staff of the Office of Statewide Reporting and Accounting Policy for their professionalism, dedication, and expertise in preparing this report, as well as their commitment to maintaining the highest standards of accountability in financial reporting. I also wish to thank the agency fiscal officers and accountants whose contributions helped make this report possible.

Sincerely yours,

Kristy H. Nichols
Commissioner of Administration

KHN:AA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Government Finance Officers Association

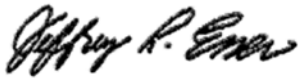
Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO

PRINCIPAL STATE OFFICIALS

Executive (Elected)

Bobby Jindal
Governor
Jay Dardenne
Lieutenant Governor
J. Thomas “Tom” Schedler
Secretary of State
James D. “Buddy” Caldwell
Attorney General
John Neely Kennedy
Treasurer
Dr. Mike Strain
Commissioner of Agriculture and Forestry
James J. Donelon
Commissioner of Insurance

Executive (Appointed)

Suzy Sonnier
Secretary of Children and Family Services
Jay Dardenne
Secretary of Culture, Recreation, and Tourism
Stephen Moret
Secretary of Economic Development
John White
State Superintendent of Education
Peggy M. Hatch
Secretary of Environmental Quality
Kathy H. Kliebert
Secretary of Health and Hospitals
Stephen Chustz
Secretary of Natural Resources
James M. LeBlanc
Secretary of Public Safety and Corrections
Colonel Michael D. Edmonson
Deputy Secretary of Public Safety and Corrections
Superintendent, Office of State Police
Eve Kahao Gonzalez
Secretary of Public Service Commission
Tim Barfield
Secretary of Revenue
Shannon S. Templet
Director of State Civil Service
Sherri LeBas
Secretary of Transportation and Development
David LeCerte
Secretary of Veterans Affairs
Robert Barham
Secretary of Wildlife and Fisheries
Curt Eysink
Executive Director of Louisiana Workforce Commission

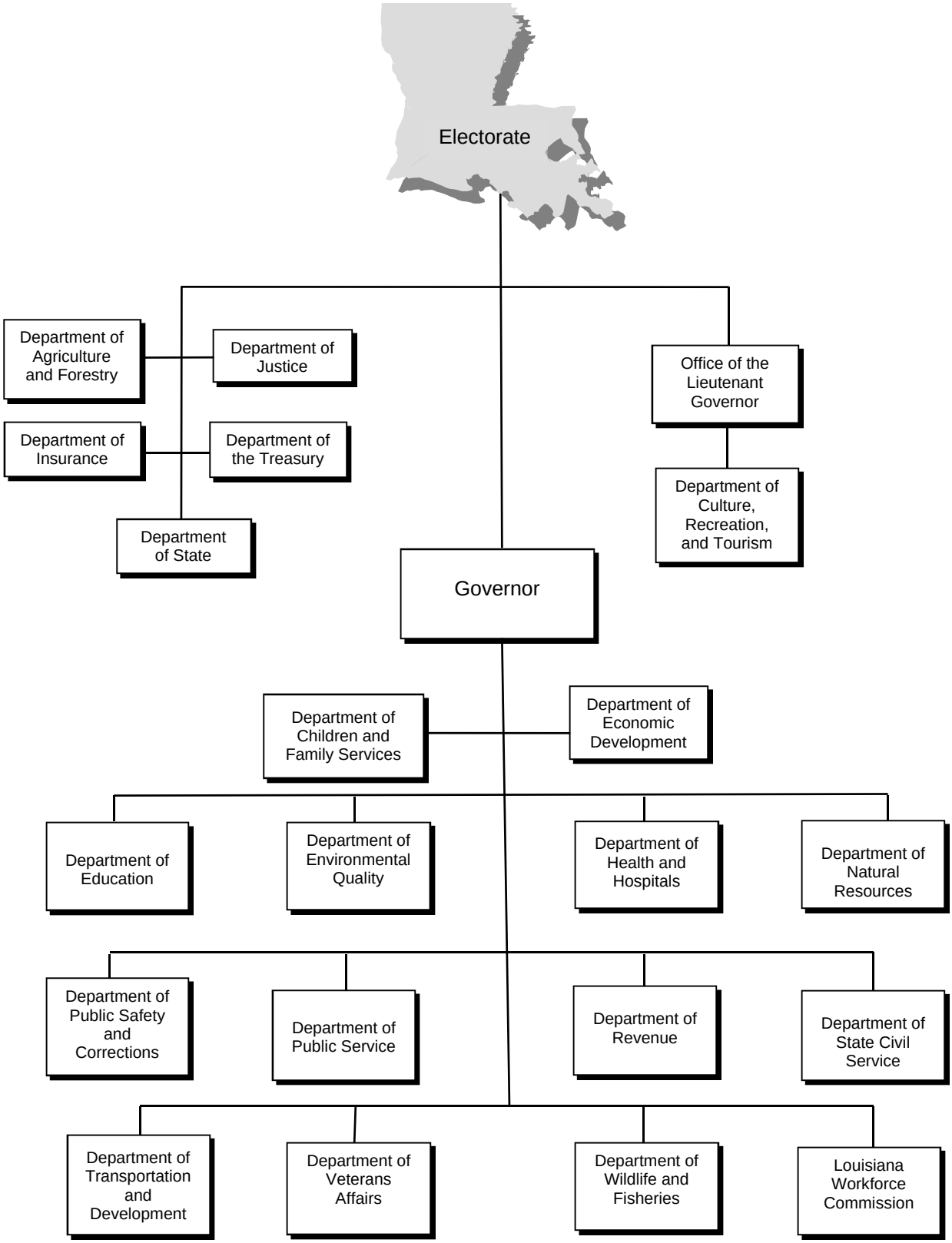
Legislative (Elected)

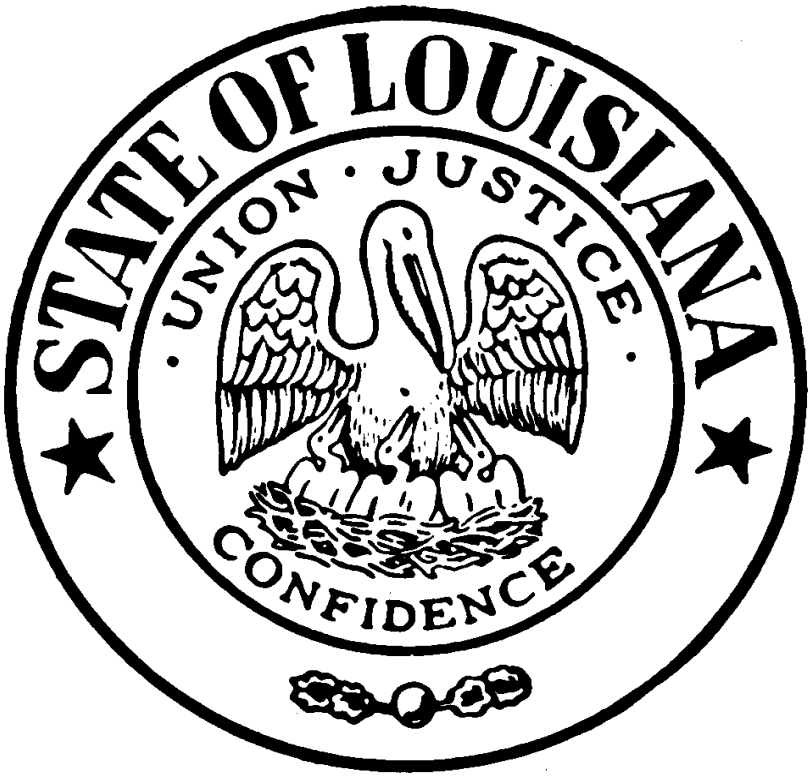
Charles E. “Chuck” Kleckley
Speaker of the House of Representatives
John A. Alario, Jr.
President of the Senate

Judicial (Elected)

Bernette J. Johnson
Chief Justice of the Supreme Court of Louisiana

STATE ORGANIZATIONAL CHART


Electorate
Department of Agriculture and Forestry
Department of Justice
Department of Insurance
Department of the Treasury
Department of State
Office of the Lieutenant Governor
Department of Culture, Recreation, and Tourism
Governor
Department of Children and Family Services
Department of Economic Development
Department of Education
Department of Environmental Quality
Department of Health and Hospitals
Department of Natural Resources
Department of Public Safety and Corrections
Department of Public Service
Department of Revenue
Department of State Civil Service
Department of Transportation and Development
Department of Veterans Affairs
Department of Wildlife and Fisheries
Louisiana Workforce Commission


STATE OF LOUISIANA
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II. FINANCIAL SECTION

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

December 19, 2014

Independent Auditor's Report

Honorable Bobby Jindal, Governor
Honorable John A. Alario, Jr., President, and
Members of the Senate
Honorable Charles E. "Chuck" Kleckley, Speaker, and
Members of the House of Representatives
State of Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Louisiana, as of and for the year ended June 30, 2014, and the related Notes to the Financial Statements, which collectively comprise the state's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain pension trust funds, enterprise funds, and component units of government included within the basic financial statements of the State of Louisiana, which represent the following percentages of their related opinion units:

Opinion Unit	Percentage of Total Assets	Percentage of Net Position or Fund Balance	Percentage of Revenues (Including Additions)
General Fund	0.05%	0.14%	0.07%
Business-type activities	11.58%	1.62%	3.53%
Aggregate discretely presented component units	41.08%	43.41%	18.63%
Aggregate remaining funds (pension trust funds)	84.97%	85.57%	72.84%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the previously mentioned pension trust funds, enterprise funds, and component units, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the LSU Foundation, the Tiger Athletic Foundation, and the LSU Health Sciences Foundation in Shreveport, all component units of the Louisiana State University System (major component unit); the University Facilities, Inc., the University of Louisiana at Monroe Facilities, Inc., the Black and Gold Facilities, Inc., and the NSU Facilities Corporation, all component units of the University of Louisiana System (major component unit); and the SUSLA Facilities, Inc., a component unit of the Southern University System (major component unit), which were audited by other auditors upon whose reports we are relying, were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Louisiana, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in note 8, Section A, to the financial statements, the maximum amount of net State tax-supported debt allowed by statute is 6.00% of estimated General Fund and dedicated funds revenues. During fiscal year 2013, the total net State tax-supported debt paid was approximately 5.76%, or 96% of the statutory limit.

As referenced in note 11 to the financial statements, the state implemented Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2014, which primarily resulted in the reclassification of certain financial statement balances as deferred inflows and outflows.

Our opinion is not modified with respect to the matters emphasized above.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *Management's Discussion and Analysis* and the *Required Supplementary Information Other Than Management's Discussion and Analysis* presented on pages 17 through 25 and 99 through 102, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Louisiana's basic financial statements. The accompanying Introductory Section (pages 1 through 12), the Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund (page 103), the Combining and Individual Fund Statements and Schedule - Nonmajor Funds (pages 106 through 140), and the Statistical Section (pages 141 through 168) listed in the Table of

Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budget to Actual - Bond Security and Redemption Fund and the Combining and Individual Fund Statements and Schedule - Nonmajor Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

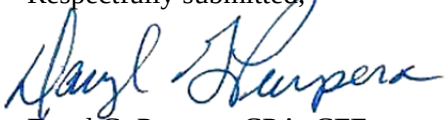
New Accounting Standard Not Yet Effective

The implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for fiscal year 2015, will require the recognition of a proportionate share of the net pension liability of the defined benefit pension plans presented in note 6 to the financial statements. Although the State of Louisiana's proportionate share of these plans' pension liabilities is currently unknown, the impact on the State's net position is expected to be significant.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, a report on our consideration of the state's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters will be issued under separate cover in the *State of Louisiana Single Audit Report*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report, upon its issuance, is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state's internal control over financial reporting and compliance.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

BDC:THC:ch

CAFR2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the financial performance of the State of Louisiana presents a narrative overview and analysis of the financial activities of the State for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter presented on pages 1-6 and the financial statements of the State, which begin on page 28.

FINANCIAL HIGHLIGHTS

- **Government-wide:**
  The State's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $12.7 billion, a decrease of 6.3% from the prior fiscal year. This amount includes $5.6 billion in restricted net position that is not available to pay the general obligations of the State.

  Net investment in capital assets for the primary government totaled $11.6 billion for fiscal year 2014, a decrease of $327 million (2.8%) from fiscal year 2013.

  The total net position for the State decreased $1 billion from the prior year due largely to the expenditure of general obligation bond proceeds for non-State projects and the increase in net other postemployment benefits obligation.

- **Long-term Debt:**
  The long-term obligations of the State increased by $862 million. The major portion of this increase is due to an increase in bonds payable of $532 million (7%) and a $185 million (7.5%) increase in the net other postemployment benefits obligation.

- **Fund Level:**
  At the end of the current fiscal year, the State's governmental funds (as presented in the balance sheet on page 31) reported a total fund balance of $7 billion, a 2% increase from the prior year balance. The State's General Fund has an unassigned fund balance of $63 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Basic Financial Statements of the State of Louisiana, which are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

This report also contains Required Supplementary Information and Other Information in addition to the Basic Financial Statements.

Government-wide Financial Statements – Reporting the State as a Whole

The government-wide financial statements are designed to provide readers with a broad overview of the finances of the State of Louisiana as a whole, and are prepared in a manner similar to a private sector business. The statements provide both short-term and long-term information about the financial position of the State which helps in assessing the economic condition of the State at the end of the fiscal year. These reports are prepared using the flow of economic resources measurement focus and the accrual basis of accounting by taking into account all revenues earned and expenses incurred in the fiscal year regardless of when cash is received or paid.

The government-wide financial statements include the following two statements:

The Statement of Net Position (page 28) presents financial information on all of the State's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the State's financial condition.

The Statement of Activities (page 30) presents information showing how the net position of the State changed as a result of current year operations. This statement presents expenses before revenues to emphasize the fact that revenues are generated expressly for providing services, rather than as an end in themselves. All changes in net position are reported when the underlying transactions occur regardless of when cash is affected. As a result, transactions are included that will not affect cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both government-wide statements report three types of activities:

Governmental Activities – The activities in this section are primarily supported by taxes and intergovernmental revenues (federal grants). Most services normally associated with State government fall into this section and they include general government; culture, recreation and tourism; transportation and development; public safety; health and welfare; corrections; youth services; conservation and environment; and education.

Business-type Activities – These activities normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activities operated by the State include the Unemployment Trust Fund, the Louisiana Community and Technical College System (LCTCS), the Louisiana Agricultural Finance Authority (LAFA), and the Clean Water State Revolving Fund, among others.

Component Units – Component units are legally separate organizations for which the elected officials of the government are financially accountable or have significant influence in governing board appointments. Among the component units included are public colleges and universities, the Louisiana Stadium and Exposition District, the Louisiana Housing Corporation, and the Louisiana Lottery Corporation. For a list of the component units included in the government-wide statements, see Note 1 (page 45) of the notes to the basic financial statements.

Fund Financial Statements

The fund financial statements begin on page 31 and provide more detailed information than the government-wide statements by providing information about the most significant funds of the State. A fund is a grouping of related accounts used to maintain control over resources, which are segregated for specific activities or objectives. The State of Louisiana uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For governmental activities, fund financial statements indicate how these services were financed in the short-term as opposed to the government-wide statements which present a long-term view of the State finances. The three categories into which the funds of the State can be classified are governmental funds, proprietary funds, and fiduciary funds.

Governmental funds account for most of the functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on short-term inflows and outflows of expendable resources and the balances of these resources available at fiscal year-end. Such information may be useful in evaluating the current financing requirements of the State. Governmental funds are reported using the modified accrual basis of accounting and the current resources measurement focus.

GASB Statement 34 has shifted the focus of governmental fund financial statements from fund types to major funds. Louisiana accounts for its activities in 56 active funds; of this total, 21 are governmental funds, 18 are proprietary funds, and 17 are fiduciary in nature. Information is presented separately on the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the funds determined to be major funds; the remaining governmental funds are presented in a single column on these statements. Combining statements for these funds are presented on pages 106 – 112 of this report.

Proprietary funds encompass enterprise funds and internal service funds. When the State charges customers for the services it provides, whether to outside customers (enterprise funds) or to other state agencies (internal service funds), the services are generally reported in the proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds apply the accrual basis of accounting utilized by private sector businesses. Internal service funds are used to accumulate and allocate costs

internally among the various functions of the State. Because the internal service funds mainly benefit governmental rather than business-type functions, they are included in the governmental activities in the government-wide financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support State programs. The State is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary fund category includes pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 – 97 of this report.

Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules for the General Fund, which can be found on page 99 of this report.

Other Information

The CAFR also includes other information that is not part of the basic financial statements or required by the GASB. This information is included for additional analysis and is comprised of the Nonmajor Fund Combining Statements, the budgetary comparison schedule for the Bond Security and Redemption Fund and nonmajor special revenue funds, and the Statistical Section.

THE STATE AS A WHOLE

Government-wide Financial Analysis

The State's overall financial position and results of operations for the past two years for the primary government are summarized as follows:

Condensed Statement of Net Position
(in thousands)

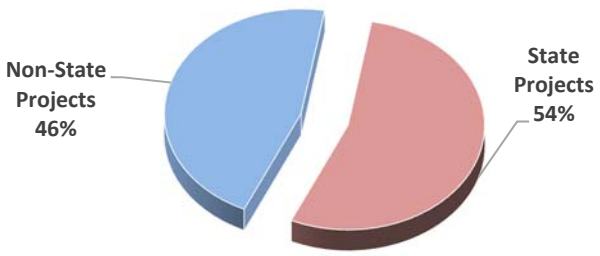
	Governmental Activities		Business-type Activities		Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 12,373,687	$ 13,108,419	$ 2,343,980	$ 2,330,630	$ 14,717,667	$ 15,439,049
Capital assets	14,850,995	14,982,917	823,081	804,410	15,674,076	15,787,327
Total assets	27,224,682	28,091,336	3,167,061	3,135,040	30,391,743	31,226,376
Total deferred outflow of resources	237,545	-	-	-	237,545	-
Other liabilities	4,409,167	4,992,922	101,881	106,392	4,511,048	5,099,314
Long-term debt outstanding	12,685,640	11,813,798	721,617	731,424	13,407,257	12,545,222
Total liabilities	17,094,807	16,806,720	823,498	837,816	17,918,305	17,644,536
Total deferred inflow of resources	5,696	25,266	7,672	-	13,368	25,266
Net Investment in capital assets	11,230,136	11,573,027	354,442	338,894	11,584,578	11,911,921
Restricted	4,592,434	4,721,228	1,038,066	991,425	5,630,500	5,712,653
Unrestricted	(5,460,846)	(5,034,905)	943,383	966,905	(4,517,463)	(4,068,000)
Total net position	$ 10,361,724	$ 11,259,350	$ 2,335,891	$ 2,297,224	$ 12,697,615	$ 13,556,574

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Louisiana, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $12.7 billion, at the close of the most recent fiscal year. The largest portion of Louisiana's net position, $11.6 billion, reflects its investment in capital assets (e.g., land, roads, buildings, machinery, and equipment), less any related outstanding debt that was used to acquire those assets. The State uses these assets to provide services to residents of the State, and consequently are not available for future spending. Although the State's investment in capital assets is reported net of related debt, this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. An additional $5.6 billion of Louisiana's net position is subject to external restrictions. These restricted amounts are only available for spending as provided for by law and/or contract and grant agreements.

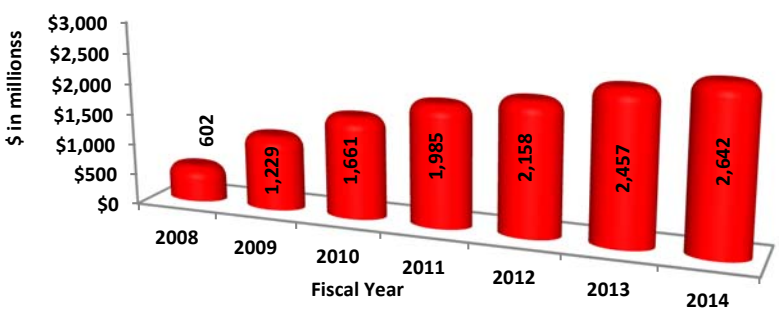
The remaining portion of net position is considered to be unrestricted. Any positive amounts reported for unrestricted net position could be used to meet Louisiana's ongoing obligations to its citizens and creditors. This year, however, Louisiana's net investment in capital assets and restricted assets and deferred outflows of resources less its restricted liabilities and deferred inflows of resources exceeded the State's total net position. This resulted in the State reporting unrestricted net position of a negative $4.5 billion. The State's negative unrestricted net position is caused mainly by 1) issuing general obligation debt to fund capital projects of other governments and non-governmental entities and 2) funding other post-employment benefits on a "pay-as-you-go" basis resulting in a large liability equal to the accumulated under-fundings of annual required contributions.

Article VII Section 6 of the Louisiana Constitution of 1974 limits the purpose for which bonds and other debt may be issued. One of the main purposes is capital outlay. The issuance of bonds has no effect on net position assuming the bonds are issued to finance capital assets of the issuing government. However, a large portion of the proceeds from State bond issues are used to fund capital projects of other entities. When the State expends bond proceeds for State projects, the outflows of resources are generally capitalized as assets. This outflow of resources has no effect on net position. In contrast, when the bond proceeds are expended for non-State projects, the outflow of resources are reported as grant expenses which reduces net position. The proportion of non-State projects funded with State bonds indicates the degree to which the issuance of debt has adversely affected the State's net position. As shown in the accompanying chart, approximately 46% of State bond proceeds have been used to fund non-State projects. To date the State (governmental activities only) has approximately $7.7 billion in bonded debt outstanding. Approximately $3.6 billion of this amount has been or will be expended for non-State projects. As proceeds from State-issued debt are expended for non-State projects, the State net position will be reduced dollar for dollar.

Portion of State-issued Debt Used to Fund State and Non-State Projects



Growth In Net Other Postemployment Benefits (OPEB) Obligation



Further, the State funds the cost of providing postemployment benefits other than pensions (OPEB) on a pay-as-you-go basis. Under this funding methodology, no contributions are made to fund future OPEB payments that have been earned by employees. Rather, OPEB are paid as they become due. The State records a liability to the extent that annual required contributions (ARC) are under-funded. The ARC is an actuarially determined amount that is equal to the discounted present value of the future OPEB earned by active employees during the year plus an amount to amortize prior under-fundings. The State's OPEB liability is a direct reduction to the State's net position. The accompanying chart demonstrates how the State's OPEB liability has increased since FY 2008.

Condensed Statement of Activities

(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	$ 3,652,456	$ 3,737,860	$ 475,485	$ 489,117	$ 4,127,941	$ 4,226,977
Operating grants and contributions	10,475,760	10,308,201	96,002	162,789	10,571,762	10,470,990
Capital grants and contributions	637,078	1,049,293	61,802	82,395	698,880	1,131,688
General revenues:						
Income taxes	3,038,101	2,903,025	--	--	3,038,101	2,903,025
Sales and use taxes	2,969,835	2,858,889	--	--	2,969,835	2,858,889
Other taxes	2,524,835	2,393,625	--	--	2,524,835	2,393,625
Other	987,604	1,052,790	118,928	153,590	1,106,532	1,206,380
Additions to Permanent Endowments	66,205	--	--	--	66,205	--
Total revenues	24,351,874	24,303,683	752,217	887,891	25,104,091	25,191,574
Expenses						
Governmental activities:						
General government	4,675,822	4,607,483	--	--	4,675,822	4,607,483
Culture, recreation and tourism	98,784	99,582	--	--	98,784	99,582
Transportation and development	1,542,225	1,312,998	--	--	1,542,225	1,312,998
Public safety	347,473	336,143	--	--	347,473	336,143
Health and welfare	10,208,763	10,071,069	--	--	10,208,763	10,071,069
Corrections	639,414	657,028	--	--	639,414	657,028
Youth services	108,772	106,779	--	--	108,772	106,779
Conservation and environment	354,087	343,487	--	--	354,087	343,487
Education	6,382,964	6,705,462	--	--	6,382,964	6,705,462
Other	26,599	29,369	--	--	26,599	29,369
Intergovernmental	586,420	515,763	--	--	586,420	515,763
Interest on long-term debt	305,101	305,746	--	--	305,101	305,746
Business-type activities:						
Unemployment Trust Fund	--	--	218,744	339,852	218,744	339,852
Louisiana Community & Technical College	--	--	491,101	492,782	491,101	492,782
Other	--	--	122,203	113,017	122,203	113,017
Total expenses	25,276,424	25,090,909	832,048	945,651	26,108,472	26,036,560
Net increase (decrease) before transfers	(924,550)	(787,226)	(79,831)	(57,760)	(1,004,381)	(844,986)
Transfers In (out)	(122,171)	(115,210)	122,171	115,210	--	--
Net increase (decrease)	(1,046,721)	(902,436)	42,340	57,450	(1,004,381)	(844,986)
Net Position–Beginning, as restated	11,408,445	12,161,786	2,293,551	2,239,774	13,701,996	14,401,560
Net Position–Ending	$ 10,361,724	$ 11,259,350	$ 2,335,891	$ 2,297,224	$ 12,697,615	$ 13,556,574

Louisiana's overall net position decreased by $1 billion from the prior fiscal year. Some of the more significant reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities – During the current fiscal year, net position for governmental activities decreased by approximately $1 billion from the prior fiscal year for an ending balance of $10.4 billion. This change was due to the expenditure of bond proceeds for non-capitalized costs on State projects and capital grants to other governments, contributions for single-employer pension and OPEB plans in which the State is a participating employer, and depreciation expense related to capital assets.

Business-Type Activities – Net position increased by $42 million from the prior year balance. The change was due mainly to unemployment insurance tax revenues outpacing unemployment insurance benefit payments caused by an improving employment environment. Some of this increase was offset by a decrease in the Louisiana Transportation Authority's net position. The decrease was attributable to depreciation on infrastructure and interest expense on revenue bonds that outpaced pledged toll revenues.

FINANCIAL ANALYSIS OF THE FUNDS OF THE STATE

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to assist in the management of its budgetary operations.

Governmental Funds

The major governmental funds are the General Fund, Bond Security and Redemption Fund, Capital Outlay Escrow Fund, and Louisiana Education Quality Trust Fund. The General Fund is the main operating fund of the State and is financed through federal revenues, taxes, licenses, fees, and bond proceeds. The Bond Security & Redemption Fund is used to provide for the collection of all money deposited into the State Treasury except federal funds, donations, or other forms of assistance when terms and conditions of the related agreement require otherwise. This process is unique to Louisiana to ensure that all obligations secured by the full faith and credit of the State that are due and payable are met. Each month an amount is allocated from this fund to pay the obligations of the State, including debt principal, interest, premiums, and sinking or reserve funds. All monies remaining in the fund are transferred to the General Fund and various other funds. The BSRF does not retain a fund balance. The Capital Outlay Escrow Fund accounts for the capital outlay expenditures of state government, state institutions and other public entities as appropriated in the annual Capital Outlay Act. Expenditures in this fund are generally financed through bond proceeds. The Louisiana Education Quality Trust Fund receives funds from the federal government from mineral production or leases on the outer continental shelf; receipts are used to improve the quality of education in Louisiana.

The fund balance of the General Fund increased by $5.6 million from the prior year. In FY14, expenditures in the General Fund outpaced revenues and other financing sources resulting in a spend-down of prior year fund balance. This spend-down was largely attributable to premium rate reductions by the Office of Group Benefits without a commensurate reduction in claim payments. The spend-down was largely offset due to the issuance of State Highway Improvement and Unclaimed Property Leverage bonds, the proceeds of which remained largely unspent at the end of the fiscal year.

Fund balance in the Capital Outlay Escrow Fund decreased by approximately $20.8 million. The decrease was due to expenditures of resources for capital projects and grants and an accrual of monies due to the General Fund for amounts transferred to Capital Outlay Escrow Fund for FEMA-funded projects that have subsequently become deobligated. These decreases were largely offset with the issuance of general obligation bonds during the year.

Proprietary Funds

The major enterprise funds of the State are the Unemployment Trust Fund and the Louisiana Community and Technical College System (LCTCS). Net position increased by $42 million for the enterprise funds, due mainly to benefit payment reductions outpacing reductions to unemployment insurance premiums in the Unemployment Trust Fund. Expenses for the Unemployment Trust Fund decreased by more than $121 million (35.6%) and revenues decreased by $101 million (26%) compared to the prior year. The decrease in expenses was caused by a reduction in the number of claims for unemployment insurance benefits due to the improving employment environment in the State. LCTCS' tuition and fees increased by $13 million due to an increase in tuition and enrollment. However, its net position only increased by $400,000 since expenditures increased as well.

GENERAL FUND BUDGETARY HIGHLIGHTS

Supplemental appropriations are usually approved before the end of the fiscal year based on revisions to estimated revenues by the Revenue Estimating Conference (REC) and the needs of various departments and programs. These supplemental appropriations are included in the final budget. The final budget was approximately $667 million higher than the original budget. The increase was due to an increase in anticipated corporate income tax collections generated by the 2013 Tax Amnesty Program and the appropriations of these revenues. These monies were appropriated to provide additional State matching funds for the Medicaid program that were needed due to a decrease in the Federal Medicaid Assistance Percentage (FMAP) rate. In addition, the Joint Legislative Committee on the Budget recognized prior budgetary

surplus balances as non-recurring revenues available for appropriation. Of this surplus balance, approximately $180 million was used to retire outstanding general obligation debt.

Actual budgetary basis revenues and other financing sources/uses were approximately $2.1 billion less than final budgeted amounts. Actual budgetary basis expenditures for FY 2014 were $2.5 billion less than final budgeted expenditures. The difference is due primarily to inflated budgetary amounts for federal revenues and the related appropriations. Because expenditures of federal grants are difficult to predict, the budgeted amount for the majority of federal grants are based upon the remaining grant balances. Since remaining balances may be used over multiple years, federal revenues and the related appropriations are inflated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
(net of depreciation and amortization in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	$ 2,170,431	$ 2,181,880	$ 37,101	$ 41,235	$ 2,207,532	$ 2,223,115
Buildings and Improvements	1,565,132	1,576,931	357,732	327,762	1,922,864	1,904,693
Equipment	109,272	132,673	37,921	35,216	147,193	167,889
Infrastructure	9,369,632	8,271,921	337,260	340,582	9,706,892	8,612,503
Intangible Assets	57,043	68,814	13,626	14,765	70,669	83,579
Construction-in-Progress	1,579,485	2,750,698	39,441	44,850	1,618,926	2,795,548
Total	$ 14,850,995	$ 14,982,917	$ 823,081	$ 804,410	$ 15,674,076	$ 15,787,327

Capital Assets

Investment in capital assets for governmental and business-type activities of the State as of June 30, 2014 totaled approximately $14.9 billion and $823 million (net of accumulated depreciation and amortization), respectively. Approximately 75.6% of combined governmental and business-type capital assets are depreciable. Investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. Governmental capital assets decreased by $132 million, mainly due to depreciation. Depreciation expense for governmental activities was approximately $738 million in fiscal year 2014 which reduced the carrying value of the depreciable capital assets. Construction-in-progress decreased by $1.2 billion for governmental activities; however, many of the construction projects were completed during the year and are now reported in Infrastructure which increased by $1.1 billion dollars.

Several road construction projects either completed or in progress were funded through the Louisiana Department of Transportation and Development's Geaux Wider Program. The Geaux Wider Program is a multi-year construction initiative designed to increase capacity and improve safety and enhance mobility for more than 20 miles of Interstates 10 and 12 in East Baton Rouge and Livingston parishes. Construction costs of the Geaux Wider Program are approximately $340 million.

The investment in capital assets for business-type activities increased by $16 million (4.6%) over fiscal year 2013.

Refer to Note 5 – "Capital Assets" on page 71 for more details of the changes in capital assets.

Outstanding Debt
General Obligation and Revenue Bonds
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 3,137,100	$ 2,860,660	$ --	$ --	$ 3,137,100	$ 2,860,660
Revenue bonds and notes	4,012,144	4,055,730	524,385	574,421	4,536,529	4,630,151
Unamortized discounts & premiums	523,434	203,758	7,457	(21,654)	530,891	182,104
Total	$ 7,672,678	$ 7,120,148	$ 531,842	$ 552,767	$ 8,204,520	$ 7,672,915

Debt Administration

The State authorizes, issues and sells debt obligations. General obligation (GO) bonds issued by the State are backed by the full faith and credit of the State. The State also issues revenue obligations which are secured by a pledge of revenues or property derived from the operations of a program funded by the issuance of the obligations.

In fiscal year 2014, the State issued $496.4 million of new GO bonds to be used for capital outlay projects and made payments of $220 million on GO debt which resulted in an increase of $276.4 million in GO bonds outstanding. Also, the state issued 2013 Unclaimed Property Special Revenue Bonds for approximately $111.7 million which will be used for the construction of Interstate 49 (North and South). In addition, the state issued 2014A State Highway Improvement Revenue Bonds for approximately $198.1 million. The purpose is to provide funds to finance the costs of construction of certain roads which are part of the state highway system and to pay a portion of the costs of issuance of the Series 2014A Bonds. Although new revenue bonds were issued for both governmental and business-type activities, the outstanding balance of the revenue bonds decreased because the new debt issued was less than the regularly scheduled principal reductions.

A large reason for the increase in long-term obligations is due to the implementation of GASB 65. Prior to the implementation of GASB 65, unamortized refunding costs were netted with bonds payable. Unamortized refunding costs are now reported as deferred inflows and outflows of resources. Last year, governmental activities reported $236 million in unamortized refunding costs and the remaining balance on those unamortized costs are now being reported as a deferred outflow of resources.

Bond ratings for general obligation debt remained stable at AA as rated by Fitch. Moody's rating remained stable at Aa2. Details on long-term debt, including debt authorization and limitations are discussed in Note 8, Long-Term Obligations (page 83).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

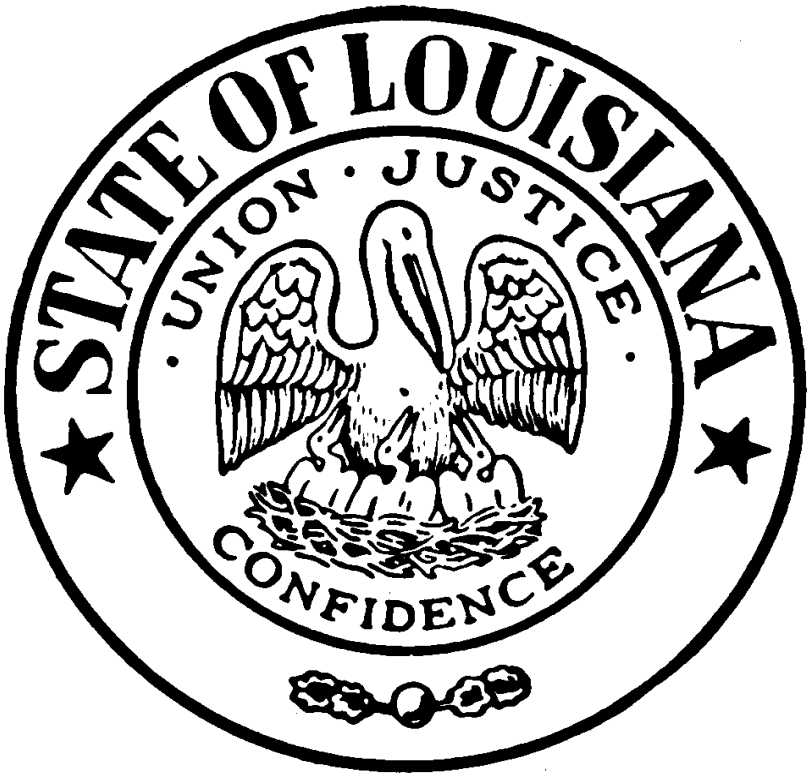
The following economic factors were considered in developing the State's budget for the 2014-2015 fiscal year:

- Sales taxes, including motor vehicle sales taxes, are expected to experience nominal growth due to growth in disposable income.
- No growth is anticipated in individual income taxes despite continued growth in employment and personal income.
- Mineral revenues, including severance taxes and royalties, are expected to decline due to expected decreases in the price of oil.
- State employee health care benefits administered through the Office of Group Benefits were restructured which is anticipated to result in a significant reduction in State-funded costs.

- The Division of Administration spear-headed an effort known as the Government Efficiencies Management Support (GEMS) initiative to improve and expand service delivery through efficiency at several executive department agencies. Savings from the GEMS initiative are expected to be $75 million in fiscal year 2015.
- Expenditure needs of the Department of Health and Hospitals for Medicaid and other programs are expected to increase by approximately $350 million due mainly to a rise in the medical consumer price index; increased costs of mandated services; provisions of the Affordable Care Act; increased services for the New Opportunities Waiver, Children's Choice Waiver, Supports Waiver, and Community Choice Waiver Programs; and increased services for individuals with Pervasive Developmental Disorder or Autism Spectrum Disorder.
- Support provided to elementary and secondary education through the Minimum Foundation Program is expected to increase due to increased student counts and increased funding for career education, special education, and technology preparedness.

Requests for Information

This financial report is designed to provide a general overview of the State's finances for interested parties. Questions concerning any of the information provided in this report or requests for additional financial information may be obtained by writing to the Office of Statewide Reporting and Accounting Policy, P.O. Box 94095, Baton Rouge, LA 70804-9095 or by telephoning (225) 342-0708. The component units of the State issue their own audited financial reports. Telephone numbers for these entities can also be obtained from the Office of Statewide Reporting and Accounting Policy. This report is available on our website at http://www.doa.louisiana.gov/osrap/cafr-2.htm.


STATE OF LOUISIANA
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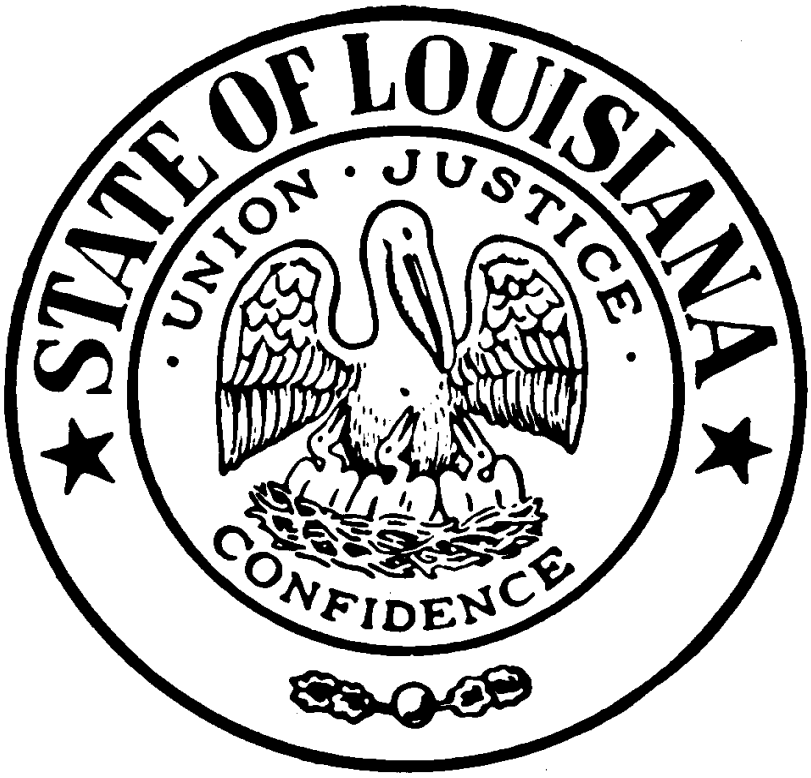
BASIC
FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS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State of Louisiana

STATEMENT OF NET POSITION

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
ASSETS				
CASH AND CASH EQUIVALENTS	$ 4,143,548	$ 1,514,526	$ 5,658,074	$ 1,515,270
INVESTMENTS	3,252,362	55,163	3,307,525	2,531,549
DERIVATIVE INSTRUMENTS	5,696	--	5,696	--
RECEIVABLES (NET)	2,097,533	104,502	2,202,035	569,755
AMOUNTS DUE FROM PRIMARY GOVERNMENT	--	--	--	71,225
AMOUNTS DUE FROM COMPONENT UNITS	75,664	--	75,664	--
DUE FROM FEDERAL GOVERNMENT	2,348,651	14,088	2,362,739	61,853
INVENTORIES	71,628	8,467	80,095	19,964
PREPAYMENTS	376,847	2,268	379,115	49,095
NOTES RECEIVABLE	--	640,860	640,860	195,317
NET PENSION ASSET	1,593	--	1,593	--
OTHER ASSETS	165	4,106	4,271	178,819
CAPITAL ASSETS (NOTE 5)				
LAND	2,170,431	37,101	2,207,532	278,940
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	1,565,132	357,732	1,922,864	3,361,078
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	109,272	37,921	147,193	326,591
INFRASTRUCTURE (NET OF DEPRECIATION)	9,369,632	337,260	9,706,892	363,167
INTANGIBLE ASSETS (NET OF AMORTIZATION)	57,043	13,626	70,669	14,491
CONSTRUCTION IN PROGRESS	1,579,485	39,441	1,618,926	1,257,427
TOTAL ASSETS	27,224,682	3,167,061	30,391,743	10,794,541
DEFERRED OUTFLOWS OF RESOURCES				
ACCUMULATED CHANGE IN FAIR VALUE OF HEDGING DERIVATIVES	1,825	--	1,825	--
DEFERRED AMOUNTS ON DEBT REFUNDING	235,720	--	235,720	38,936
TOTAL DEFERRED OUTFLOWS OF RESOURCES	237,545	--	237,545	38,936
LIABILITIES				
ACCOUNTS PAYABLE	2,551,776	41,849	2,593,625	253,012
ACCRUED INTEREST ON BONDS	76,374	--	76,374	--
DERIVATIVE INSTRUMENTS	1,825	--	1,825	--
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	75,664
AMOUNTS DUE TO COMPONENT UNITS	71,225	--	71,225	--
DUE TO FEDERAL GOVERNMENT	671,801	10,329	682,130	8,848
DUE TO LOCAL GOVERNMENTS	13,170	--	13,170	--
INTERNAL BALANCES	330	(330)	--	--
UNEARNED REVENUE	405,436	17,198	422,634	336,289
TAX REFUNDS PAYABLE	397,783	--	397,783	--
UNCLAIMED PROPERTY LIABILITY	159,727	--	159,727	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	59,664	7,144	66,808	53,430
OTHER LIABILITIES	56	25,691	25,747	58,436
CURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
CONTRACTS PAYABLE	--	52	52	7,917
COMPENSATED ABSENCES	17,235	2,305	19,540	18,381
CAPITAL LEASE OBLIGATIONS	895	83	978	5,699
NOTES PAYABLE	261	591	852	19,321
BONDS PAYABLE	319,046	19,130	338,176	286,707
POLLUTION REMEDIATION OBLIGATIONS	13,244	--	13,244	163
ESTIMATED LIABILITY FOR CLAIMS	291,735	--	291,735	73,638
OTHER LONG-TERM LIABILITIES	3,865	3,077	6,942	10,021
NONCURRENT PORTION OF LONG-TERM LIABILITIES (NOTE 8):				
COMPENSATED ABSENCES	170,114	18,104	188,218	136,727
CAPITAL LEASE OBLIGATIONS	78	3,175	3,253	35,529
NOTES PAYABLE	768	885	1,653	91,589
BONDS PAYABLE	7,353,632	512,712	7,866,344	3,476,500
NET OPEB OBLIGATION	2,480,346	161,503	2,641,849	1,504,546
NET PENSION OBLIGATION	259,931	--	259,931	--
POLLUTION REMEDIATION OBLIGATIONS	14,562	--	14,562	35
ESTIMATED LIABILITY FOR CLAIMS	1,639,248	--	1,639,248	21,477
OTHER LONG-TERM LIABILITIES	120,680	--	120,680	443,679
TOTAL LIABILITIES	17,094,807	823,498	17,918,305	6,917,608

The notes to the financial statement are an integral part of this statement.

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
DEFERRED INFLOWS OF RESOURCES				
ACCUMULATED CHANGE IN FAIR VALUE OF HEDGING DERIVATIVES	5,696	--	5,696	--
DEFERRED AMOUNTS ON DEBT REFUNDING	--	7,468	7,468	281
ASSESSMENTS, FINES, AND PENALTIES RECEIVED IN ADVANCE OF MEETING TIME REQUIREMENTS	--	204	204	--
TOTAL DEFERRED INFLOWS OF RESOURCES	5,696	7,672	13,368	281
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	11,230,136	354,442	11,584,578	3,945,515
RESTRICTED FOR:				
EXPENDABLE:				
ADMINISTRATION AND REGULATORY OVERSIGHT	44,495	--	44,495	--
BUDGET STABILIZATION	444,505	--	444,505	--
CAPITAL PROJECTS	417,485	--	417,485	17,414
COMPONENT UNITS	--	--	--	1,297,192
CONSERVATION AND ENVIRONMENT PROGRAMS:				
COASTAL PROTECTION AND RESTORATION	204,135	--	204,135	--
OILFIELD SITE RESTORATION	15,619	--	15,619	--
WILDLIFE AND FISHERIES CONSERVATION	141,584	--	141,584	--
OTHER CONSERVATION AND ENVIRONMENT PROGRAMS	3,022	--	3,022	--
CULTURE, RECREATION, AND TOURISM PROGRAMS	2,835	--	2,835	--
DEBT SERVICE	190,727	353	191,080	404,783
EDUCATION PROGRAMS:				
MINIMUM FOUNDATION PROGRAM	109,662	--	109,662	--
OTHER EDUCATION PROGRAMS	269,191	--	269,191	--
HEALTH AND WELFARE PROGRAMS	125,249	--	125,249	--
OTHER PURPOSES	--	91,911	91,911	--
PUBLIC SAFETY PROGRAMS	893	--	893	--
TRANSPORTATION AND DEVELOPMENT PROGRAMS	15,642	--	15,642	--
UNEMPLOYMENT COMPENSATION	--	945,802	945,802	--
YOUTH PROGRAMS	1,144	--	1,144	--
NONEXPENDABLE:				
COMPONENT UNITS	--	--	--	787,865
CULTURE, RECREATION, AND TOURISM PROGRAMS	100	--	100	--
HEALTH AND WELFARE PROGRAMS	464,842	--	464,842	--
EDUCATION PROGRAMS	2,141,304	--	2,141,304	--
UNRESTRICTED	(5,460,846)	943,383	(4,517,463)	(2,537,181)
TOTAL NET POSITION	$ 10,361,724	$ 2,335,891	$ 12,697,615	$ 3,915,588

State of Louisiana

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
GENERAL GOVERNMENT	$ 4,675,822	$ 2,044,842	$ 2,344,568	$ 7,702	$ (278,710)		$ (278,710)	
CULTURE, RECREATION, AND TOURISM	98,784	11,678	5,155	--	(81,951)		(81,951)	
TRANSPORTATION AND DEVELOPMENT	1,542,225	34,254	121,965	629,142	(756,864)		(756,864)	
PUBLIC SAFETY	347,473	277,384	43,741	--	(26,348)		(26,348)	
HEALTH AND WELFARE	10,208,763	440,330	6,840,410	--	(2,928,023)		(2,928,023)	
CORRECTIONS	639,414	40,809	2,262	--	(596,343)		(596,343)	
YOUTH SERVICES	108,772	438	955	--	(107,379)		(107,379)	
CONSERVATION AND ENVIRONMENT	354,087	740,512	53,275	231	439,931		439,931	
EDUCATION	6,382,964	60,397	1,063,429	3	(5,259,135)		(5,259,135)	
OTHER	26,599	--	--	--	(26,599)		(26,599)	
INTERGOVERNMENTAL	586,420	1,812	--	--	(584,608)		(584,608)	
INTEREST ON LONG-TERM DEBT	305,101	--	--	--	(305,101)		(305,101)	
TOTAL GOVERNMENTAL ACTIVITIES	25,276,424	3,652,456	10,475,760	637,078	(10,511,130)		(10,511,130)	
BUSINESS-TYPE ACTIVITIES:								
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	491,101	113,895	64,318	34,678		$ (278,210)	(278,210)	
UNEMPLOYMENT TRUST FUND	218,744	262,738	24,223	--		68,217	68,217	
NONMAJOR ENTERPRISE FUNDS	122,203	98,852	7,461	27,124		11,234	11,234	
TOTAL BUSINESS-TYPE ACTIVITIES	832,048	475,485	96,002	61,802		(198,759)	(198,759)	
TOTAL PRIMARY GOVERNMENT	$ 26,108,472	$ 4,127,941	$ 10,571,762	$ 698,880	(10,511,130)	(198,759)	(10,709,889)	
COMPONENT UNITS:								
STATE UNIVERSITIES:								
LOUISIANA STATE UNIVERSITY SYSTEM	$ 2,471,162	$ 1,152,248	$ 546,746	$ 173,197				$ (598,971)
UNIVERSITY OF LOUISIANA SYSTEM	1,274,092	591,716	128,875	36,599				(516,902)
SOUTHERN UNIVERSITY SYSTEM	248,796	71,672	45,591	19,943				(111,590)
BOARD OF REGENTS	48,113	2,003	7,253	--				(38,857)
AUTHORITIES:								
LOUISIANA LOTTERY CORPORATION	459,523	448,954	--	--				(10,569)
LOUISIANA STADIUM AND EXPOSITION DISTRICT	124,485	48,393	--	40,991				(35,101)
OTHER COMPONENT UNITS	799,412	459,068	199,266	21,417				(119,661)
TOTAL COMPONENT UNITS	$ 5,425,583	$ 2,774,054	$ 927,731	$ 292,147				(1,431,651)
GENERAL REVENUES:								
INCOME TAXES					3,038,101		3,038,101	
SALES TAXES					2,969,835		2,969,835	
SEVERANCE TAXES					837,130		837,130	
GASOLINE TAXES, restricted for transportation					613,917		613,917	
TOBACCO TAXES					129,338		129,338	
MISCELLANEOUS TAXES					944,450		944,450	
TOBACCO SETTLEMENT, restricted for education, health and welfare					123,828		123,828	
GAMING					846,045		846,045	
UNRESTRICTED INVESTMENT EARNINGS					17,429		17,429	
UNRESTRICTED PAYMENTS FROM PRIMARY GOVERNMENT					--	--	--	865,985
OTHER					302	118,928	119,230	955,359
ADDITIONS TO PERMANENT ENDOWMENTS					66,205	--	66,205	10,249
TRANSFERS					(122,171)	122,171	--	--
TOTAL GENERAL REVENUES, ADDITIONS TO PERMANENT ENDOWMENTS, AND TRANSFERS					9,464,409	241,099	9,705,508	1,831,593
CHANGE IN NET POSITION					(1,046,721)	42,340	(1,004,381)	399,942
NET POSITION - BEGINNING AS RESTATED					11,408,445	2,293,551	13,701,996	3,515,646
NET POSITION - ENDING					$ 10,361,724	$ 2,335,891	$ 12,697,615	$ 3,915,588

The notes to the financial statements are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND

The General Fund, the principal operating fund of the State, was established administratively to provide for the distribution of funds appropriated by the State Legislature for the ordinary expenses of state government. Transactions related to resources that are not accounted for in other funds are accounted for in the General Fund. Revenues are provided from the direct deposit of federal grants and the transfer of state revenues from the Bond Security and Redemption Fund after debt service requirements have been met.

BOND SECURITY AND REDEMPTION FUND

This fund is used to provide for the collection of all money deposited into the State Treasury except federal funds, donations or other forms of assistance when the terms and conditions of the related agreements require otherwise.

Each fiscal year, an amount is allocated from this fund sufficient to pay all obligations secured by the full faith and credit of the state, due and payable, within the current fiscal year, including principal, interest, premiums, and sinking or reserve funds. Except as other wise provided by law, money remaining in the fund is credited to the General Fund.

LOUISIANA EDUCATION QUALITY TRUST FUND

Once requirements of the Bond Security and Redemption Fund have been met, certain funds received from the federal government attributable to mineral production or leases on the outer continental shelf are deposited by the Treasurer in this fund. The funds are held in a trustee capacity and interest earned is used for various educational purposes.

CAPITAL OUTLAY ESCROW FUND

The Capital Outlay Escrow Fund was created to provide for the capital outlay expenditures of the State as appropriated in the annual capital outlay appropriations act. The fund accounts for a large volume of ongoing and new construction, routine maintenance and repairs, as well as repairs and renovations related to the damage caused by hurricanes. The fund is financed by bond issues, federal funds, self-generated revenues, statutory dedications, and appropriations by the Louisiana Legislature.

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY AND REDEMPTION FUND	CAPITAL OUTLAY ESCROW FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:						
CASH AND CASH EQUIVALENTS	$ 2,542,132	$ 320,643	$ 651,930	$ 21,036	$ 601,590	$ 4,137,331
INVESTMENTS	430,069	--	7,198	1,279,242	1,498,667	3,215,176
RECEIVABLES (NET)	337,942	1,448,624	506	5	12,429	1,799,506
DUE FROM OTHER FUNDS	1,149,752	312,913	233,771	6,009	96,090	1,798,535
AMOUNTS DUE FROM COMPONENT UNITS	50,632	25,032	--	--	--	75,664
DUE FROM FEDERAL GOVERNMENT	2,118,701	--	2,280	--	73,718	2,194,699
INVENTORIES	71,306	--	--	--	--	71,306
PREPAYMENTS	376,818	--	--	--	--	376,818
OTHER ASSETS	21	--	--	--	--	21
TOTAL ASSETS	$ 7,077,373	$ 2,107,212	$ 895,685	$ 1,306,292	$ 2,282,494	$ 13,669,056
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
ACCOUNTS PAYABLE AND ACCRUALS	$ 2,026,716	$ 170	$ 269,763	$ --	$ 6,769	$ 2,303,418
TAX REFUNDS PAYABLE	--	397,783	--	--	--	397,783
UNCLAIMED PROPERTY LIABILITY	159,727	--	--	--	--	159,727
DUE TO OTHER FUNDS	460,802	1,034,980	153,325	6,660	143,098	1,798,865
AMOUNTS DUE TO COMPONENT UNITS	68,510	--	--	2,715	--	71,225
DUE TO FEDERAL GOVERNMENT	660,133	--	--	--	--	660,133
DUE TO LOCAL GOVERNMENTS	13,170	--	--	--	--	13,170
UNEARNED REVENUES	406,609	8,158	--	--	--	414,767
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	59,664	--	--	59,664
ESTIMATED LIABILITY FOR CLAIMS	116,770	--	--	--	--	116,770
OTHER LIABILITIES	--	--	--	--	56	56
TOTAL LIABILITIES	3,912,437	1,441,091	482,752	9,375	149,923	5,995,578
DEFERRED INFLOWS OF RESOURCES:						
UNAVAILABLE REVENUE	--	666,121	--	--	374	666,495
TOTAL DEFERRED INFLOWS OF RESOURCES	--	666,121	--	--	374	666,495
FUND BALANCES:						
NONSPENDABLE	111,497	--	--	1,186,669	1,391,261	2,689,427
RESTRICTED	1,479,562	--	9,478	110,248	700,297	2,299,585
COMMITTED	1,320,903	--	403,455	--	40,639	1,764,997
ASSIGNED	190,400	--	--	--	--	190,400
UNASSIGNED	62,574	--	--	--	--	62,574
TOTAL FUND BALANCES	3,164,936	--	412,933	1,296,917	2,132,197	7,006,983
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 7,077,373	$ 2,107,212	$ 895,685	$ 1,306,292	$ 2,282,494	$ 13,669,056

The notes to the financial statements are an integral part of this statement.

State of Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

(Expressed in Thousands)

Total Fund Balances - Governmental Funds		$ 7,006,983
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Capital assets used in governmental activities are not current financial resources and are not reported in the fund financial statements. These assets consist of the following:		
Land	$ 2,170,130	
Buildings and Improvements	2,403,830	
Machinery and Equipment	778,902	
Infrastructure	25,121,566	
Intangible Assets	104,425	
Construction in Progress	1,579,485	
Accumulated Depreciation and Amortization	(17,309,184)	14,849,154
Net position of the internal service funds is reported separately in the proprietary funds, but is included in governmental activities in the government-wide statements.		35,555
The difference between the net carrying amount of refunded debt and the cost of refunding are deferred and amortized in the statement of net position, however these amounts are not reported at the fund level.		235,720
The annual required contributions to certain pension plans have been over/under-funded, creating a year-end asset/liability, which is not reported in the funds.		(258,338)
The other postemployment benefits (OPEB) annual required contributions have been under-funded, creating a year-end liability, which is not reported in the funds.		(2,470,757)
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Compensated Absences	(186,863)	
Capital Lease Obligations	(960)	
Bonds Payable	(7,672,678)	
Pollution Remediation Obligations	(18,443)	
Estimated Liabilities for Claims	(1,814,213)	
Accrued Interest Payable	(76,374)	
Accounts Payable	(244,458)	
Due to Federal Government	(11,668)	
Other Liabilities	(124,401)	(10,150,058)
Some of the State's revenues are not available to pay for the current period's expenditures and are not reported in the funds.		1,113,465
Net Position of Governmental Activities		$ 10,361,724

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	GENERAL FUND	BOND SECURITY AND REDEMPTION FUND	CAPITAL OUTLAY ESCROW FUND	LOUISIANA EDUCATION QUALITY TRUST FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
INTERGOVERNMENTAL REVENUES	$ 10,578,699	$ 217,663	$ 39,838	$ --	$ 717,009	$ 11,553,209
TAXES	--	8,524,721	--	--	167,689	8,692,410
GAMING	--	848,880	--	--	--	848,880
TOBACCO SETTLEMENT	--	55,983	--	--	84,313	140,296
USE OF MONEY AND PROPERTY	13,794	897,214	20	--	4,673	915,701
LICENSES, PERMITS, AND FEES	2,760	825,122	--	--	69,607	897,489
SALES OF COMMODITIES AND SERVICES	--	863,538	--	--	--	863,538
POLLUTION REMEDIATION SETTLEMENT	44,785	--	--	--	--	44,785
OTHER	42,790	562,908	--	444	245	606,387
TOTAL REVENUES	10,682,828	12,796,029	39,858	444	1,043,536	24,562,695
EXPENDITURES						
CURRENT:						
GENERAL GOVERNMENT	4,394,816	11	--	--	--	4,394,827
CULTURE, RECREATION, AND TOURISM	82,379	--	--	--	1,424	83,803
TRANSPORTATION AND DEVELOPMENT	461,917	--	--	--	--	461,917
PUBLIC SAFETY	310,580	--	--	--	1,500	312,080
HEALTH AND WELFARE	10,174,503	--	--	--	--	10,174,503
CORRECTIONS	597,220	--	--	--	--	597,220
YOUTH SERVICES	103,472	--	--	--	--	103,472
CONSERVATION AND ENVIRONMENT	240,356	--	--	--	--	240,356
EDUCATION	6,102,924	--	--	25,216	220	6,128,360
OTHER	--	--	--	--	55	55
INTERGOVERNMENTAL	524,373	--	--	--	62,047	586,420
CAPITAL OUTLAY	--	--	1,596,212	--	--	1,596,212
DEBT SERVICE:						
PRINCIPAL RETIREMENT	30,726	220,000	--	--	937,550	1,188,276
INTEREST	38,332	121,347	--	--	164,670	324,349
OTHER	19,904	2,196	--	--	19,171	41,271
TOTAL EXPENDITURES	23,081,502	343,554	1,596,212	25,216	1,186,637	26,233,121
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,398,674)	12,452,475	(1,556,354)	(24,772)	(143,101)	(1,670,426)
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	12,618,666	136,914	1,101,268	156,662	825,647	14,839,157
TRANSFERS OUT	(561,239)	(12,649,670)	(62,183)	(21,960)	(1,634,026)	(14,929,078)
BONDS ISSUED	309,810	--	496,440	--	14,940	821,190
PREMIUMS ON BONDS ISSUED	36,997	35,383	--	--	5	72,385
REFUNDING BONDS ISSUED	--	--	--	--	841,145	841,145
PREMIUMS ON REFUNDING BONDS ISSUED	--	--	--	--	45,135	45,135
INSURANCE RECOVERY	--	24,898	--	--	--	24,898
TOTAL OTHER FINANCING SOURCES (USES)	12,404,234	(12,452,475)	1,535,525	134,702	92,846	1,714,832
NET CHANGE IN FUND BALANCES	5,560	--	(20,829)	109,930	(50,255)	44,406
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	3,159,376	--	433,762	1,186,987	2,182,452	6,962,577
FUND BALANCES AT END OF YEAR	$ 3,164,936	$ --	$ 412,933	$ 1,296,917	$ 2,132,197	$ 7,006,983

The notes to the financial statements are an integral part of this statement.

State of Louisiana

Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities

(Expressed in Thousands)

Net Change in Fund Balances - Total Governmental Funds		$ 44,406
Amounts reported for governmental activities in the Statement of Activities are different due to the following:		
Governmental funds report capital outlays as expenditures; however these outlays are capitalized and allocated over their estimated useful lives and reported as depreciation/amortization expense. The following is the difference between the amount of capital outlays and depreciation/amortization expense for the period:		
Capital Outlay	$ 570,920	
Depreciation/Amortization Expense	(737,366)	(166,446)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(323,523)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities over multiple periods. The following is the net effect:		
Bond Proceeds and Premiums Received	(1,779,855)	
Repayment of Bond Principal	1,188,486	
Amortization of Bond Premiums	44,253	
Amortization of Deferred Refunding Costs	(17,593)	(564,709)
The net results of current year operations of internal service funds is included in the net income of the proprietary funds, but is presented as part of the primary government for government-wide statements.		(33,682)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Also, some expenditures at the fund level are recognized as reductions to liabilities on the statement of net position. The amounts below represent the difference between the expenses incurred on the statement of activities and the current financial resources expended.		
Compensated Absences	(1,350)	
Capital Lease Obligations	(486)	
Accrued Interest	(10,672)	
Estimated Liabilities for Claims	(20,591)	
OPEB Obligation	(171,907)	
Pension Obligations	(42,687)	
Pollution Remediation Obligations	3,357	
Other Liabilities	29,245	
Other Payables	212,324	(2,767)
Change in Net Position of Governmental Activities		$ (1,046,721)

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

PROPRIETARY FUND FINANCIAL STATEMENTS

Major Fund

UNEMPLOYMENT TRUST FUND

The Unemployment Trust Fund accounts for the unemployment insurance contributions from employers and for the payment of unemployment benefits to eligible claimants.

LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM

The Louisiana Community and Technical College System provide strategic management and support for seven community colleges, four technical community colleges, and two technical colleges. LCTCS has forty-nine campuses. The colleges award associates degrees, technical diplomas, and industry-based certificates in programs that are aligned with business and industry and local economies.

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
ASSETS					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 907,940	$ 94,886	$ 439,658	$ 1,442,484	$ 6,217
INVESTMENTS	--	--	11,056	11,056	9,187
RECEIVABLES (NET)	56,973	25,094	5,885	87,952	5,009
DUE FROM OTHER FUNDS	--	7,670	1,411	9,081	--
DUE FROM FEDERAL GOVERNMENT	114	13,885	89	14,088	--
INVENTORIES	--	11	8,456	8,467	322
PREPAYMENTS	--	2,218	50	2,268	29
NOTES RECEIVABLE	--	--	46,620	46,620	--
OTHER CURRENT ASSETS	--	73	49	122	--
TOTAL CURRENT ASSETS	965,027	143,837	513,274	1,622,138	20,764
NONCURRENT ASSETS:					
RESTRICTED ASSETS					
CASH	--	64,489	7,553	72,042	--
INVESTMENTS	--	39,423	4,341	43,764	27,999
RECEIVABLES	--	21	654	675	--
INVESTMENTS	--	47	296	343	--
RECEIVABLES (NET)	15,875	--	--	15,875	--
NOTES RECEIVABLE	--	--	594,240	594,240	--
CAPITAL ASSETS (NOTE 5)					
LAND	--	25,747	11,354	37,101	301
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	--	306,163	51,569	357,732	--
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	--	30,580	7,341	37,921	1,540
INFRASTRUCTURE (NET OF DEPRECIATION)	--	--	337,260	337,260	--
INTANGIBLE ASSETS (NET OF AMORTIZATION)	--	13,557	69	13,626	--
CONSTRUCTION IN PROGRESS	--	39,193	248	39,441	--
OTHER NONCURRENT ASSETS	--	3,533	451	3,984	144
TOTAL NONCURRENT ASSETS	15,875	522,753	1,015,376	1,554,004	29,984
TOTAL ASSETS	$ 980,902	$ 666,590	$ 1,528,650	$ 3,176,142	$ 50,748
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	$ --	$ 33,029	$ 8,820	$ 41,849	$ 3,900
DUE TO OTHER FUNDS	19	315	8,417	8,751	--
DUE TO FEDERAL GOVERNMENT	10,298	31	--	10,329	--
UNEARNED REVENUES	--	11,084	6,114	17,198	32
AMOUNT HELD IN CUSTODY FOR OTHERS	279	6,865	--	7,144	--
OTHER CURRENT LIABILITIES	24,504	120	1,067	25,691	--
CURRENT PORTION OF LONG-TERM LIABILITIES:					
CONTRACTS PAYABLE	--	51	1	52	--
COMPENSATED ABSENCES PAYABLE	--	1,961	344	2,305	78
CAPITAL LEASE OBLIGATIONS	--	83	--	83	--
NOTES PAYABLE	--	--	591	591	261
BONDS PAYABLE	--	10,855	8,275	19,130	--
OTHER LONG-TERM LIABILITIES	--	3,077	--	3,077	--
TOTAL CURRENT LIABILITIES	35,100	67,471	33,629	136,200	4,271
NONCURRENT LIABILITIES:					
NON-CURRENT PORTION OF LONG-TERM LIABILITIES:					
COMPENSATED ABSENCES PAYABLE	--	16,656	1,448	18,104	408
CAPITAL LEASE OBLIGATIONS	--	3,175	--	3,175	13
NOTES PAYABLE	--	--	885	885	768
BONDS PAYABLE (NET OF UNAMORTIZED DISCOUNTS)	--	306,932	205,780	512,712	--
NET OPEB OBLIGATION	--	138,496	23,007	161,503	9,589
OTHER LONG-TERM LIABILITIES	--	--	--	--	144
TOTAL NONCURRENT LIABILITIES	--	465,259	231,120	696,379	10,922
TOTAL LIABILITIES	35,100	532,730	264,749	832,579	15,193
DEFERRED INFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	7,468	7,468	--
FINES AND PENALTIES RECEIVED IN ADVANCE OF MEETING TIME REQUIREMENTS	--	--	204	204	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	7,672	7,672	--
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	--	151,683	202,759	354,442	799
RESTRICTED FOR DEBT SERVICE	--	--	353	353	2,406
RESTRICTED FOR UNEMPLOYMENT COMPENSATION	945,802	--	--	945,802	--
RESTRICTED FOR OTHER SPECIFIC PURPOSES	--	87,448	4,463	91,911	--
UNRESTRICTED	--	(105,271)	1,048,654	943,383	32,350
TOTAL NET POSITION	945,802	133,860	1,256,229	2,335,891	35,555
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 980,902	$ 666,590	$ 1,528,650	$ 3,176,142	$ 50,748

The notes to the financial statements are an integral part of this statement.

State of Louisiana

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
OPERATING REVENUES:					
SALES OF COMMODITIES AND SERVICES	$ --	$ 113,895	$ 41,979	$ 155,874	$ 48,792
ASSESSMENTS	242,603	--	5,997	248,600	--
USE OF MONEY AND PROPERTY	20,135	--	10,912	31,047	26,748
LICENSES, PERMITS, AND FEES	--	--	38,146	38,146	--
FEDERAL GRANTS AND CONTRACTS	24,223	44,598	5,513	74,334	--
OTHER	--	19,720	3,613	23,333	--
TOTAL OPERATING REVENUES	286,961	178,213	106,160	571,334	75,540
OPERATING EXPENSES:					
COST OF SALES AND SERVICES	--	336,207	39,007	375,214	38,213
ADMINISTRATIVE	--	121,108	47,638	168,746	38,385
DEPRECIATION	--	20,341	13,062	33,403	507
AMORTIZATION	--	1,848	48	1,896	--
UNEMPLOYMENT INSURANCE BENEFITS	218,744	--	--	218,744	--
TOTAL OPERATING EXPENSES	218,744	479,504	99,755	798,003	77,105
OPERATING INCOME (LOSS)	68,217	(301,291)	6,405	(226,669)	(1,565)
NONOPERATING REVENUES (EXPENSES):					
INTERGOVERNMENTAL REVENUES	--	--	208	208	--
INTERGOVERNMENTAL EXPENSES	--	--	(1,102)	(1,102)	--
USE OF MONEY AND PROPERTY	--	--	180	180	206
GAIN ON DISPOSAL OF CAPITAL ASSETS	--	--	1,197	1,197	--
LOSS ON DISPOSAL OF CAPITAL ASSETS	--	--	(3,314)	(3,314)	(165)
FEDERAL GRANTS	--	111,568	--	111,568	--
INTEREST EXPENSE	--	(11,408)	(15,118)	(26,526)	(3)
OTHER REVENUES	--	3,001	2,927	5,928	96
OTHER EXPENSES	--	(189)	(2,914)	(3,103)	(1)
TOTAL NONOPERATING REVENUES (EXPENSES)	--	102,972	(17,936)	85,036	133
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	68,217	(198,319)	(11,531)	(141,633)	(1,432)
CAPITAL CONTRIBUTIONS	--	34,678	27,124	61,802	--
TRANSFERS IN	--	166,097	9,368	175,465	--
TRANSFERS OUT	(1,470)	(2,056)	(49,768)	(53,294)	(32,250)
CHANGE IN NET POSITION	66,747	400	(24,807)	42,340	(33,682)
TOTAL NET POSITION - BEGINNING AS RESTATED	879,055	133,460	1,281,036	2,293,551	69,237
TOTAL NET POSITION - ENDING	$ 945,802	$ 133,860	$ 1,256,229	$ 2,335,891	$ 35,555

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	UNEMPLOYMENT TRUST FUND	LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	NONMAJOR ENTERPRISE FUNDS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:					
CASH RECEIPTS FROM CUSTOMERS	$ 249,237	$ 174,766	$ 164,886	$ 588,889	$ 67,819
OTHER OPERATING CASH RECEIPTS	44,357	--	3,993	48,350	--
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(222,900)	(104,674)	(125,883)	(453,457)	(63,895)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	--	(256,665)	(30,067)	(286,732)	(10,535)
CASH PAYMENTS FOR INTERFUND SERVICES USED, INCLUDING PAYMENTS IN LIEU OF TAXES	--	--	(39,035)	(39,035)	--
CASH PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS	--	(80,631)	--	(80,631)	--
OTHER OPERATING REVENUES	(2,648)	(2,681)	(2,053)	(7,382)	1,525
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	68,046	(269,885)	(28,159)	(229,998)	(5,086)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
PROCEEDS FROM ISSUANCE OF BONDS AND NOTES	--	--	14,584	14,584	--
PRINCIPAL PAID ON BONDS AND NOTES	--	--	(14,218)	(14,218)	--
INTEREST PAID ON BONDS AND NOTES	--	--	(5)	(5)	--
DIRECT LENDING RECEIPTS	--	120,969	--	120,969	--
DIRECT LENDING REIMBURSEMENTS	--	(120,969)	--	(120,969)	--
OPERATING GRANTS RECEIVED	--	111,568	200	111,768	--
TRANSFERS IN	--	166,097	9,368	175,465	--
TRANSFERS OUT	(1,470)	(2,056)	(10,426)	(13,952)	(32,250)
OTHER	--	3,950	245	4,195	2
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(1,470)	279,559	(252)	277,837	(32,248)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
PROCEEDS FROM ISSUANCE OF BONDS AND NOTES	--	--	175,916	175,916	895
PRINCIPAL PAID ON BONDS AND NOTES	--	(10,303)	(178,739)	(189,042)	(218)
INTEREST PAID ON BONDS AND NOTES	--	(12,313)	(14,139)	(26,452)	(3)
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	--	(41,851)	(3,478)	(45,329)	(711)
PROCEEDS FROM SALE OF CAPITAL ASSETS	--	--	6,544	6,544	--
DEPOSITS WITH TRUSTEE	--	(1,604)	--	(1,604)	--
CAPITAL CONTRIBUTIONS	--	34,678	26,996	61,674	--
OTHER	--	(2,475)	--	(2,475)	(3)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	--	(33,868)	13,100	(20,768)	(40)
CASH FLOWS FROM INVESTING ACTIVITIES:					
PURCHASES OF INVESTMENT SECURITIES	--	(668)	(22,524)	(23,192)	(4,707)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	28,589	24,794	53,383	36,529
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	--	1,046	196	1,242	214
NET CASH PROVIDED BY INVESTING ACTIVITIES	--	28,967	2,466	31,433	32,036
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	66,576	4,773	(12,845)	58,504	(5,338)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	841,364	154,602	460,056	1,456,022	11,555
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 907,940	$ 159,375	$ 447,211	$ 1,514,526	$ 6,217
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	$ 68,217	$ (301,291)	$ 6,405	$ (226,669)	$ (1,565)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
DEPRECIATION/AMORTIZATION	--	22,189	13,110	35,299	507
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	--	--	(6)	(6)	--
OTHER	--	--	(1,199)	(1,199)	(1)
CHANGES IN ASSETS AND LIABILITIES:					
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	7,937	(2,238)	57	5,756	349
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	3,686	--	1,334	5,020	35
(INCREASE)DECREASE IN PREPAYMENTS	--	695	73	768	(8)
(INCREASE)DECREASE IN INVENTORIES	--	2	(1,316)	(1,314)	77
(INCREASE)DECREASE IN OTHER ASSETS	--	45	(50,268)	(50,223)	73
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	--	375	831	1,206	2,028
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	--	111	120	231	15
INCREASE(DECREASE) IN DUE TO OTHER FUNDS	444	--	21	465	--
INCREASE(DECREASE) IN UNEARNED REVENUES	(2,648)	488	849	(1,311)	(8,104)
INCREASE(DECREASE) IN NET OPEB OBLIGATION	--	10,469	1,842	12,311	558
INCREASE(DECREASE) IN OTHER LIABILITIES	(9,590)	(730)	(12)	(10,332)	950
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 68,046	$ (269,885)	$ (28,159)	$ (229,998)	$ (5,086)

(Continued)

The notes to the financial statements are an integral part of this statement.

State of Louisiana

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2014
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
DISPOSAL OF CAPITAL ASSETS	2,657
LOUISIANA TRANSPORTATION AUTHORITY	
CONTRIBUTIONS OF CAPITAL ASSETS	182

(Concluded)

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND FINANCIAL STATEMENTS

FIDUCIARY FUND FINANCIAL STATEMENTS

FIDUCIARY FUNDS

By definition, these funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds, and cannot be used to address activities or obligations of the government. There are four types of fiduciary funds:

- *Pension trust funds* account for resources held in trust for members and beneficiaries of the four employee pension plans.
- *Investment trust funds* account for the portion of the government's investment pools that belong to others.
- *Private-purpose trust funds* report all other trust arrangements benefiting those outside the government. Currently, the Louisiana Education Tuition and Savings Fund is the only private-purpose trust fund Louisiana maintains.
- *Agency funds* contain resources held by the government in a temporary, purely custodial capacity and do not involve measurement of results of operations. Among the largest of the agency funds are the Escrow Fund, Insurance Trusts, Payroll Clearing Fund, and the Miscellaneous Agency Funds.

The State Treasury maintains three separate investment trust funds. Investment trust funds are:

- Louisiana Asset Management Pool
- Patients' Compensation Board Investment Trust Fund
- Education Excellence Local Government Investment Trust Fund

Four separate pension trust funds are maintained for state government employees, teachers, and law enforcement officers. The pension funds are as follows:

- Louisiana School Employees' Retirement System
- Louisiana State Employees' Retirement System
- Louisiana State Police Retirement System
- Teachers' Retirement System of Louisiana

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE PURPOSE TRUST FUND *	AGENCY FUNDS
ASSETS				
CASH AND CASH EQUIVALENTS	$ 331,517	$ 38,257	$ 29,216	$ 359,850
RECEIVABLES:				
EMPLOYER CONTRIBUTIONS	230,754	--	--	--
MEMBER CONTRIBUTIONS	70,826	--	--	--
INVESTMENT PROCEEDS	1,572,469	--	--	--
INTEREST AND DIVIDENDS	75,206	215	991	--
OTHER	28,294	220	--	183,906
TOTAL RECEIVABLES	1,977,549	435	991	183,906
INVESTMENTS (AT FAIR VALUE):				
SHORT TERM INVESTMENTS	1,290,559	795,881	--	--
U. S. GOVERNMENT AND AGENCY OBLIGATIONS	1,377,382	426,079	80,594	--
BONDS - DOMESTIC	1,584,897	--	70,278	--
BONDS - INTERNATIONAL	2,095,173	--	--	--
MARKETABLE SECURITIES - DOMESTIC	9,273,510	8,243	--	--
MARKETABLE SECURITIES - INTERNATIONAL	7,344,839	--	--	--
MUTUAL FUNDS - EQUITY	--	--	328,822	--
ALTERNATIVE INVESTMENTS	8,032,562	--	--	--
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	3,585,186	--	--	--
REPURCHASE AGREEMENTS	--	197,175	--	--
OTHER	2,101	--	--	222,518
INVESTMENTS (AT CONTRACT VALUE):				
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	428,631	--	--	--
TOTAL INVESTMENTS	35,014,840	1,427,378	479,694	222,518
OTHER ASSETS	--	8	--	25
PROPERTY, PLANT AND EQUIPMENT (NET)	14,204	27	--	--
TOTAL ASSETS	37,338,110	1,466,105	509,901	766,299
LIABILITIES				
ACCOUNTS PAYABLE	30,927	356	807	--
INVESTMENT COMMITMENTS PAYABLE	1,683,327	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	553,781
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	3,587,912	--	--	--
NET OPEB OBLIGATION	22,754	--	--	--
REFUNDS PAYABLE AND OTHER	8,141	53	--	--
OTHER LIABILITIES	--	--	--	212,518
TOTAL LIABILITIES	5,333,061	409	807	766,299
NET POSITION				
HELD IN TRUST FOR:				
EMPLOYEES' PENSION BENEFITS	32,005,049	--	--	--
INVESTMENT POOL PARTICIPANTS	--	1,465,696	--	--
INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	509,094	--
TOTAL NET POSITION	$ 32,005,049	$ 1,465,696	$ 509,094	$ --

* For the period ending December 31, 2013.

The notes to the financial statements are an integral part of this statement.

State of Louisiana

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	PENSION TRUST FUNDS	INVESTMENT TRUST FUNDS	PRIVATE PURPOSE TRUST FUND *
ADDITIONS			
CONTRIBUTIONS:			
EMPLOYER	$ 1,842,828	$ --	$ --
MEMBERS	505,742	--	--
POOL PARTICIPANTS (DEPOSITS)	--	1,371,521	64,112
TOTAL CONTRIBUTIONS	2,348,570	1,371,521	64,112
INVESTMENT INCOME:			
NET INCREASE IN FAIR VALUE OF INVESTMENTS	4,121,853	13,962	44,730
INTEREST AND DIVIDENDS	561,276	16,630	10,047
ALTERNATIVE INVESTMENT INCOME	411,399	--	--
LESS ALTERNATIVE INVESTMENT EXPENSES	(88,430)	--	--
GAIN ON SALE OF INVESTMENT	--	26	--
SECURITIES LENDING INCOME	16,311	--	--
LESS SECURITIES LENDING EXPENSES	178	--	--
OTHER INVESTMENT INCOME	4,332	1,266	--
LESS INVESTMENT EXPENSE OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(78,279)	--	--
NET INVESTMENT INCOME	4,948,640	31,884	54,777
OTHER INCOME	156,552	--	--
TOTAL ADDITIONS	7,453,762	1,403,405	118,889
DEDUCTIONS			
RETIREMENT BENEFITS	3,248,439	--	--
REFUNDS OF CONTRIBUTIONS	140,560	--	--
ADMINISTRATIVE EXPENSES	37,025	2,218	--
DEPRECIATION AND AMORTIZATION EXPENSES	2,260	--	--
DISTRIBUTIONS TO POOL PARTICIPANTS	--	2,550,759	27,350
OTHER	560	--	--
TOTAL DEDUCTIONS	3,428,844	2,552,977	27,350
CHANGE IN NET POSITION HELD IN TRUST FOR:			
EMPLOYEES' PENSION BENEFITS	4,024,918	--	--
INVESTMENT POOL PARTICIPANTS	--	(1,149,572)	--
INDIVIDUALS, PRIVATE ORGANIZATIONS, AND OTHER GOVERNMENTS	--	--	91,539
NET POSITION - BEGINNING OF YEAR AS RESTATED	27,980,131	2,615,268	417,555
NET POSITION - END OF YEAR	$ 32,005,049	$ 1,465,696	$ 509,094

* For the period ending December 31, 2013.

The notes to the financial statements are an integral part of this statement.

COMPONENT UNIT FINANCIAL STATEMENTS

COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

COLLEGES AND UNIVERSITIES

The college and university funds are used to account for the transactions relating to public institutions of higher education. The university systems are listed below. Louisiana Community and Technical College System is listed with the enterprise funds.

- Louisiana State University System includes Louisiana State University and A&M College and Louisiana State University Agricultural Center at Baton Rouge, Louisiana State University at Alexandria, Louisiana State University at Eunice, Louisiana State University Medical Center at New Orleans, Louisiana State University Medical Center at Shreveport, Paul M. Hebert Law Center at Baton Rouge, and Pennington Biomedical Research Center at Baton Rouge. Louisiana State University's Board of Supervisors also operates the general medical facilities in the state.

- Southern University System includes Southern University and A&M College and Southern University Agricultural Research and Extension Center at Baton Rouge, Southern University at New Orleans, Southern University at Shreveport, and Southern University Law Center at Baton Rouge.

- University of Louisiana System includes Grambling State University at Grambling, Louisiana Tech University at Ruston, McNeese State University at Lake Charles, Nicholls State University at Thibodaux, Southeastern Louisiana University at Hammond, Northwestern State University at Natchitoches, University of Louisiana at Monroe, University of Louisiana at Lafayette, and University of New Orleans at New Orleans.

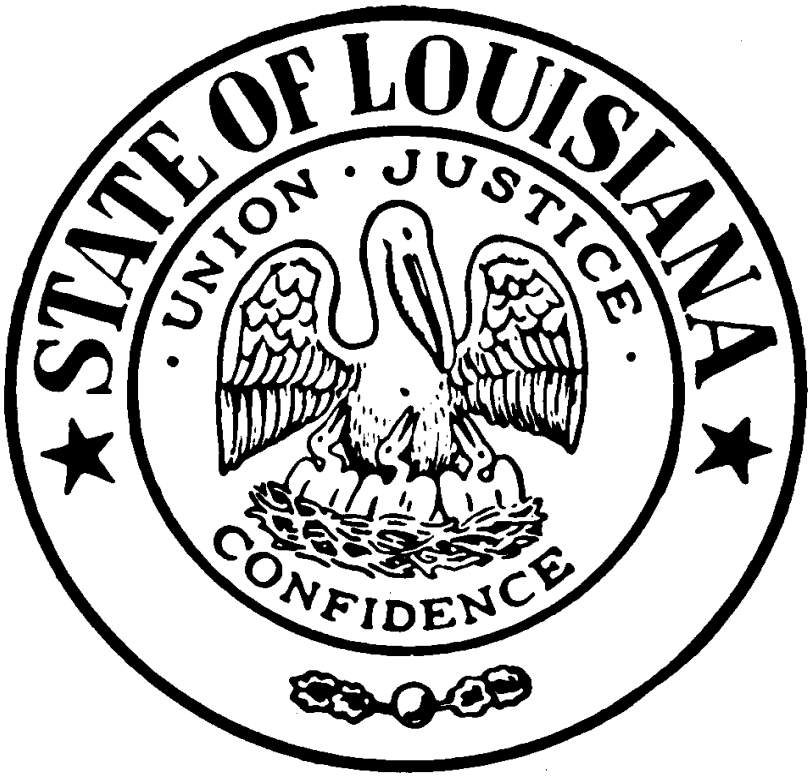
- Board of Regents is the policy making board for each of the university systems listed above and each System's Board of Supervisors.

LOUISIANA STADIUM AND EXPOSITION DISTRICT

The purpose of the district is to plan, finance, construct, develop, maintain, and operate facilities, including an enclosed and covered stadium within the district for various sporting events, exhibitions, and public meetings. The District is responsible for servicing and retiring the principal and interest on all bonds issued.

LOUISIANA LOTTERY CORPORATION

The Louisiana Lottery Corporation was created to conduct and administer lottery games in the state. Quarterly, the corporation transfers net revenues determined to be surplus to its needs, but not less than 35% of gross revenues each year to the Lottery Proceeds Fund.


STATE OF LOUISIANA
UNION · JUSTICE ·
CONFIDENCE

COMBINING STATEMENT OF NET POSITION

COMPONENT UNITS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	LOUISIANA STATE UNIVERSITY SYSTEM	UNIVERSITY OF LOUISIANA SYSTEM	SOUTHERN UNIVERSITY SYSTEM
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	$ 227,743	$ 220,582	$ 28,128
RESTRICTED CASH AND CASH EQUIVALENTS	--	--	--
INVESTMENTS	470,454	35,430	529
RECEIVABLES (NET)	250,633	63,024	7,775
PLEDGES RECEIVABLE (NET)	33,012	1,751	647
AMOUNTS DUE FROM PRIMARY GOVERNMENT	42,392	4,666	9,737
DUE FROM FEDERAL GOVERNMENT	25,592	13,190	19,208
INVENTORIES	10,825	6,296	378
PREPAYMENTS	22,643	7,727	1,814
NOTES RECEIVABLE	3,198	4,206	326
OTHER CURRENT ASSETS	20,408	2,854	209
TOTAL CURRENT ASSETS	1,106,900	359,726	68,751
NONCURRENT ASSETS:			
RESTRICTED ASSETS:			
CASH	181,233	175,404	15,020
INVESTMENTS	954,503	419,378	12,730
RECEIVABLES (NET)	311	831	--
NOTES RECEIVABLE	23,090	28,359	--
OTHER	14,086	55	--
INVESTMENTS	128,758	30	--
NOTES RECEIVABLE (NET)	--	--	--
PLEDGES RECEIVABLE (NET)	27,990	2,684	--
CAPITAL ASSETS (NOTE 5)			
LAND	78,545	104,383	7,755
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION	1,305,438	1,237,469	234,150
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION	204,920	72,004	10,240
INFRASTRUCTURE (NET OF DEPRECIATION)	25,362	19,575	8,074
INTANGIBLE ASSETS (NET OF AMORTIZATION	2,567	3,932	2,357
CONSTRUCTION IN PROGRESS	934,081	97,082	38,682
OTHER NONCURRENT ASSETS	56,806	19,423	10,978
TOTAL NONCURRENT ASSETS	3,937,690	2,180,609	339,986
TOTAL ASSETS	5,044,590	2,540,335	408,737
DEFERRED OUTFLOWS OF RESOURCES			
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	--	--
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 5,044,590	$ 2,540,335	$ 408,737
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND ACCRUALS	$ 92,825	$ 60,047	$ 15,695
AMOUNTS DUE TO PRIMARY GOVERNMENT	41,487	468	16
DUE TO FEDERAL GOVERNMENT	6,624	1	--
UNEARNED REVENUES	150,848	38,277	9,611
AMOUNTS HELD IN CUSTODY FOR OTHERS	37,356	6,819	1,155
OTHER CURRENT LIABILITIES	2,003	13,941	1,776
CURRENT PORTION OF LONG-TERM LIABILITIES			
CONTRACTS PAYABLE	--	571	--
COMPENSATED ABSENCES PAYABLE	8,207	4,349	785
CAPITAL LEASE OBLIGATIONS	3,905	1,519	--
CLAIMS AND LITIGATION PAYABLE	--	--	261
NOTES PAYABLE	3,136	1,203	1,268
BONDS PAYABLE	19,385	17,053	1,371
POLLUTION REMEDIATION OBLIGATIONS	--	163	--
OTHER LONG-TERM LIABILITIES	33	5,619	3,991
TOTAL CURRENT LIABILITIES	365,809	150,030	35,929
NONCURRENT LIABILITIES:			
NONCURRENT PORTION OF LONG-TERM LIABILITIES			
COMPENSATED ABSENCES PAYABLE	76,035	40,171	10,978
CAPITAL LEASE OBLIGATIONS	27,368	7,483	--
CLAIMS AND LITIGATION PAYABLE	--	--	569
NOTES PAYABLE	4,634	7,633	38,396
BONDS PAYABLE	642,381	688,326	67,867
NET OPEB OBLIGATION	831,160	473,996	98,725
POLLUTION REMEDIATION OBLIGATIONS	--	--	--
OTHER LONG-TERM LIABILITIES	388,071	3,495	246
TOTAL NONCURRENT LIABILITIES	1,969,649	1,221,104	216,781
TOTAL LIABILITIES	2,335,458	1,371,134	252,710
DEFERRED INFLOWS OF RESOURCES			
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	--
NET POSITION:			
NET INVESTMENT IN CAPITAL ASSETS	1,972,753	949,912	200,680
RESTRICTED FOR:			
CAPITAL PROJECTS	--	--	--
DEBT SERVICE	--	--	--
NONEXPENDABLE	508,179	264,313	15,373
EXPENDABLE	763,706	278,166	35,331
OTHER PURPOSES	--	--	--
UNRESTRICTED	(535,506)	(323,190)	(95,357)
TOTAL NET POSITION	2,709,132	1,169,201	156,027
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 5,044,590	$ 2,540,335	$ 408,737

The notes to the financial statements are an integral part of this statement.

BOARD OF REGENTS	LOUISIANA LOTTERY CORPORATION	LOUISIANA STADIUM AND EXPOSITION DISTRICT	NONMAJOR COMPONENT UNITS	TOTAL COMPONENT UNITS
$ 1,869	$ 18,007	$ 81,241	$ 369,006	$ 946,576
--	--	--	107,615	107,615
--	5,850	--	127,264	639,527
--	12,029	11,523	99,980	444,964
--	--	--	--	35,410
2,990	--	1,751	9,689	71,225
1,144	--	--	2,719	61,853
--	--	122	2,343	19,964
--	182	469	16,260	49,095
--	--	--	5,012	12,742
--	14	140	28,322	51,947
6,003	36,082	95,246	768,210	2,440,918
--	--	3,789	85,633	461,079
--	58,539	--	194,092	1,639,242
--	--	818	56,747	58,707
--	--	--	127,077	178,526
--	--	--	--	14,141
--	--	--	123,992	252,780
--	--	--	4,049	4,049
--	--	--	--	30,674
--	1,542	13,944	72,771	278,940
--	2,675	235,637	345,709	3,361,078
1,293	653	8,550	28,931	326,591
--	--	--	310,156	363,167
--	--	--	5,635	14,491
--	--	147,257	40,325	1,257,427
--	6,122	11,995	7,407	112,731
1,293	69,531	421,990	1,402,524	8,353,623
7,296	105,613	517,236	2,170,734	10,794,541
--	--	38,103	833	38,936
--	--	38,103	833	38,936
$ 7,296	$ 105,613	$ 555,339	$ 2,171,567	$ 10,833,477
$ 4,440	$ 2,971	$ 17,629	$ 59,405	$ 253,012
356	24,726	--	8,611	75,664
--	--	--	2,223	8,848
303	--	26,135	111,115	336,289
--	--	--	8,100	53,430
--	26,680	286	13,750	58,436
--	--	--	7,346	7,917
96	348	411	4,185	18,381
--	--	115	160	5,699
--	--	--	73,377	73,638
--	--	--	13,714	19,321
--	--	11,627	237,271	286,707
--	--	--	--	163
--	--	--	378	10,021
5,195	54,725	56,203	539,635	1,207,526
650	--	--	8,893	136,727
--	--	386	292	35,529
--	--	--	20,908	21,477
--	--	14,800	26,126	91,589
--	--	384,791	1,693,135	3,476,500
3,834	--	--	96,831	1,504,546
--	--	--	35	35
--	37,395	956	13,516	443,679
4,484	37,395	400,933	1,859,736	5,710,082
9,679	92,120	457,136	2,399,371	6,917,608
--	--	--	281	281
--	--	--	281	281
1,293	4,870	106,976	709,031	3,945,515
--	--	--	17,414	17,414
--	--	42,838	361,945	404,783
--	--	--	--	787,865
1,144	--	--	--	1,078,347
--	--	4,392	214,453	218,845
(4,820)	8,623	(56,003)	(1,530,928)	(2,537,181)
(2,383)	13,493	98,203	(228,085)	3,915,588
$ 7,296	$ 105,613	$ 555,339	$ 2,171,567	$ 10,833,477

State of Louisiana

COMBINING STATEMENT OF ACTIVITIES

COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

		PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
COMPONENT UNITS:					
LOUISIANA STATE UNIVERSITY SYSTEM	$ 2,471,162	$ 1,152,248	$ 546,746	$ 173,197	$ (598,971)
UNIVERSITY OF LOUISIANA SYSTEM	1,274,092	591,716	128,875	36,599	(516,902)
SOUTHERN UNIVERSITY SYSTEM	248,796	71,672	45,591	19,943	(111,590)
BOARD OF REGENTS	48,113	2,003	7,253	--	(38,857)
LOUISIANA LOTTERY CORPORATION	459,523	448,954	--	--	(10,569)
LOUISIANA STADIUM AND EXPOSITION DISTRICT	124,485	48,393	--	40,991	(35,101)
NONMAJOR COMPONENT UNITS	799,412	459,068	199,266	21,417	(119,661)
TOTAL COMPONENT UNITS	$ 5,425,583	$ 2,774,054	$ 927,731	$ 292,147	$ (1,431,651)

	GENERAL REVENUES					
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	ADDITIONS TO PERMANENT ENDOWMENTS	CHANGE IN NET POSITION	NET POSITION BEGINNING OF YEAR AS RESTATED	NET POSITION END OF YEAR
COMPONENT UNITS:						
LOUISIANA STATE UNIVERSITY SYSTEM	$ 411,366	$ 326,908	$ 10,249	$ 149,552	$ 2,559,580	$ 2,709,132
UNIVERSITY OF LOUISIANA SYSTEM	249,877	241,254	--	(25,771)	1,194,972	1,169,201
SOUTHERN UNIVERSITY SYSTEM	63,805	58,425	--	10,640	145,387	156,027
BOARD OF REGENTS	39,455	1,819	--	2,417	(4,800)	(2,383)
LOUISIANA LOTTERY CORPORATION	--	1,565	--	(9,004)	22,497	13,493
LOUISIANA STADIUM AND EXPOSITION DISTRICT	--	72,066	--	36,965	61,238	98,203
NONMAJOR COMPONENT UNITS	101,482	253,322	--	235,143	(463,228)	(228,085)
TOTAL COMPONENT UNITS	$ 865,985	$ 955,359	$ 10,249	$ 399,942	$ 3,515,646	$ 3,915,588

The notes to the financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1 Summary of Significant Accounting Policies

Note 2 Deposits and Investments

Note 3 Accounts Receivable and Accounts Payable

Note 4 Intra-Entity Transactions

Note 5 Capital Assets

Note 6 Employee Benefits – Pensions

Note 6A Employee Benefits – Other Postemployment Benefits (OPEB)

Note 6B Employee Benefits – Termination Benefits

Note 7 Leases

Note 8 Long-Term Obligations

Note 9 Contingencies and Commitments

Note 10 Fund Balance/Net Position Disclosures

Note 11 Other Disclosures

Note 12 Subsequent Events

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the State of Louisiana (State) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position and results of operations of the various funds of the State and the cash flows of the proprietary funds as of and for the year ended June 30, 2014.

A. REPORTING ENTITY

The State's reporting entity consists of the various departments, agencies, activities, and organizational units that comprise the State's legal entity and legally separate entities for which the State is financially accountable (component units). The State, like that of the United States, has three branches of government – legislative (bicameral), executive, and judicial.

As required by GASB Statement No. 14, *The Financial Reporting Entity*, as amended, a legally separate entity is considered a component unit of the State if at least one of the following criteria is met:

- The State appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the State.
- The entity is fiscally dependent on the State and there is a potential financial benefit/burden to the State.
- The nature and significance of the relationship between the State and the entity is such that exclusion would cause the financial statements of the State to be misleading.

Depending upon the nature of their relationship with the State, some component units are blended with the State reporting entity, while others are discretely reported.

The following component units were evaluated to identify those entities whose financial activities should be blended with the primary government, discretely reported, or disclosed in the Notes to the Basic Financial Statements as a related organization, a joint venture, or a jointly governed organization:

Blended Component Units

A component unit is considered blended and therefore would be included in the reporting entity's financial statements if (1) the component unit's governing body is substantively the same as the governing body of the primary government and there is a financial benefit or burden relationship between the primary government and the component unit or management of the primary government has operational responsibility for the component unit; or (2) if the component unit provides services exclusively, or almost exclusively, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it; or (3) if the component unit's debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government.

The following blended component units provide services almost exclusively to the primary government:

Tobacco Settlement Financing Corporation, P.O. Box 44154, Baton Rouge, LA 70804-4154, a special purpose, public corporate entity, was established to access a portion of the State's tobacco settlement revenues in a lump sum by issuing bonds secured by a pledge of 60% of the State's allocation of tobacco settlement revenues. Since the issuance of the bonds in fiscal year 2002, the corporation duties are limited to paying principal and interest on outstanding bonds and refunding outstanding bonds when economically advantageous.

Louisiana Correctional Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, acquires and finances correctional facilities for lease to the State and is authorized to issue revenue bonds for its purposes. The board of directors consists of five members appointed by the Governor.

Louisiana Office Building Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit quasi-public corporation, was created to construct, acquire and lease buildings and facilities on behalf of and for the benefit of the State and may finance such acquisitions by issuing revenue bonds. The board of directors consists of a designee of the Governor, the Commissioner of Administration, and the director of the Office of Facility Planning and Control.

Office Facilities Corporation, P.O. Box 94095, Baton Rouge, LA 70804-9095, a nonprofit corporation, finances the acquisition or construction of public facilities for lease to the State through the issuance of revenue bonds. The board of directors consists of five members appointed by the Governor.

Louisiana Transportation Authority, P.O. Box 94245, Baton Rouge, LA 70804-9245, is a nonprofit corporation established in 2001 to promote, plan, finance, construct, operate, and maintain specific tollways or transitways constructed within Louisiana. The board of directors consists of nine members, including the Governor, the Department of Transportation and the Department of Economic Development secretaries, President of the Senate and Speaker of the House of Representatives, or their designees.

The following four component units are included in the fiduciary fund financial statements:

Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, LA 70804-4516, was established in 1947 for the benefit of non-instructional personnel of the Louisiana public school system.

Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-4213, was established in 1947 to benefit all State employees except those excluded by statute.

Louisiana State Police Retirement System, 9224 Jefferson Hwy, Baton Rouge, LA 70809, was established in 1938 for the benefit of commissioned law enforcement officers as well as the secretary and deputy secretary of the Department of Public Safety.

Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, LA 70804-9123, was established in 1936 for the benefit of public school teachers.

The following component units are considered blended because their outstanding debt is expected to be repaid entirely or almost entirely with resources of the State.

Board of Supervisors of the Louisiana Community and Technical College System (LCTCS), 265 S. Foster Drive, Baton Rouge, LA 70806, is the managing and supervising board of seven community colleges, four technical community colleges, and two technical colleges. LCTCS has 49 campuses.

Louisiana Agricultural Finance Authority, P.O. Box 3334, Baton Rouge, LA 70821-3334, was created to alleviate the severe shortage of capital and credit available for investment in agriculture in the State and to promote agriculture and forestry in Louisiana.

Discretely Presented Component Units

Discretely presented component units are reported in separate columns to emphasize that they are legally separate from the State. The voting majority of the following discretely presented component units' board members are appointed by the State and State funds are appropriated for operating support to these entities, creating a financial benefit/burden relationship.

Board of Regents, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, is the policy-making board for the four higher education systems of the State.

Board of Supervisors of the Louisiana State University System, 3810 West Lakeshore Drive Rm 107, Baton Rouge, LA 70808, is the managing and supervising board for the Louisiana State University System (LSU), which includes the following campuses:

- LSU and A&M College at Baton Rouge
- LSU Agricultural Center at Baton Rouge
- LSU at Alexandria
- LSU at Eunice
- LSU Health Sciences Center at New Orleans
- LSU Health Sciences Center at Shreveport
- LSU at Shreveport
- Paul M. Hebert Law Center at Baton Rouge
- Pennington Biomedical Research Center at Baton Rouge

The Board of Supervisors of the LSU System also operates the following general medical facilities in the State:

- Huey P. Long Medical Center in Pinneville
- Lallie Kemp Regional Medical Center in Independence
- University Hospital Shreveport
- E. A. Conway Medical Center in Monroe

Board of Supervisors of the University of Louisiana System, 1201 North Third Street, Suite 7-300, Baton Rouge, LA 70802, is the managing and supervising board for the following regional universities:

- Grambling State University at Grambling
- Louisiana Tech University at Ruston
- McNeese State University at Lake Charles
- Nicholls State University at Thibodaux
- Northwestern State University at Natchitoches
- Southeastern Louisiana University at Hammond
- University of Louisiana at Lafayette
- University of Louisiana at Monroe
- University of New Orleans

Board of Supervisors of the Southern University System, P.O. Box 10878, Baton Rouge, LA 70813, is the managing and supervising board of the Southern University System, which includes the following campuses:

- Southern University and A&M College at Baton Rouge
- Southern University at New Orleans
- Southern University at Shreveport
- Southern University Law Center at Baton Rouge
- Southern University Agricultural Research and Extension Center at Baton Rouge

Included in the balances and operating results of the university systems is financial activity for major foundations that contribute to the universities.

The voting majority of the following discretely presented component unit's board members are appointed by the State and the State is able to impose its will on the organization by its ability to modify or approve the budget of the entity.

Greater New Orleans Expressway Commission, P.O. Box 7656, Metairie, LA 70010, was created to construct, operate, and maintain the Greater New Orleans Expressway. The fiscal year end of the commission is October 31.

The voting majority of the following discretely presented component units' board members are appointed by the

State and the State is able to impose its will on the organizations by its ability to remove board members at will.

Louisiana Board of Cosmetology, 11622 Sunbelt Court, Baton Rouge, LA 70809, regulates and licenses members of the Cosmetology industry to maintain public health and welfare standards set by the State of Louisiana.

Louisiana Motor Vehicle Commission, 3519 12th Street, Metairie, LA 70002-3427, regulates all areas of the new car industry, including motor vehicle sales finance companies in Louisiana.

Louisiana State Board of Private Security Examiners, 15703 Old Hammond Hwy., Baton Rouge, LA 70816, regulates the contract security guard industry.

Louisiana Stadium and Exposition District, 1500 Girod Street, New Orleans, LA 70113, is responsible for financing and operating an enclosed covered stadium, as well as other related facilities and structures for holding sporting events, athletic contests, exhibitions, and other events of public interest.

Road Home Corporation, doing business as Louisiana Land Trust, P.O. Box 4609, Baton Rouge, LA 70821, was created for the acquisition, disposition, purchase, renovation, leasing, or expansion of housing stock to help Louisiana residents displaced by the hurricanes to get back into a home or apartment as quickly and fairly as possible.

Sabine River Authority of Louisiana, 15091 Texas Highway, Many, LA 71449-5718, is charged with the development of Toledo Bend resources within the State

Ascension-St. James Airport and Transportation Authority, 6255 Airport Industrial Blvd., Gonzales, LA 70737, was established for the purpose of acquiring, constructing, maintaining and operating Louisiana Regional Airport.

Levee Districts provide services necessary to ensure adequate drainage control and to protect lands within their respective districts from damage by flood. They include the following:

- Atchafalaya Basin Levee District, P.O. Box 170, Port Allen, LA 70767
- Bossier Levee District, P.O. Box 8279, Bossier City, LA 71113
- Bunches Bend Protection District, 318 Morgan Street, Lake Providence, LA 71254; the district has a December 31 fiscal year end.
- Caddo Levee District, P.O. Box 78282, Shreveport, LA 71137-8282
- Fifth Louisiana Levee District, 102 Burnside Drive, Tallulah, LA 71282
- Grand Isle Independent Levee District, P.O. Box 757, Grand Isle, LA 70358
- Lafitte Area Independent Levee District, 2654 Jean Lafitte Blvd., Lafitte, LA 70067
- Lafourche Basin Levee District, P.O. Box 670, Vacherie, LA 70090; the district has a December 31 fiscal year end.
- Natchitoches Levee and Drainage District, P.O. Box 1036, Natchitoches, LA 71458
- Nineteenth Louisiana Levee District, P.O. Box 267, Colfax, LA 71417
- North Lafourche Conservation, Levee and Drainage District, P.O. Box 309, Thibodaux, LA 70302. The district has a December 31 fiscal year end.
- Pontchartrain Levee District, P.O. Box 426, Lutcher, LA 70071
- Red River, Atchafalaya, and Bayou Boeuf Levee District, P.O. Box 8235, Alexandria, LA 71306-1235
- Red River Levee and Drainage District, P.O. Box 433, Coushatta, LA 71019
- South Lafourche Levee District, P.O. Box 426, Galliano, LA 70354
- Tensas Basin Levee District, P.O. Box 68, Rayville, LA 71269

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is able to impose its will on the following organizations by its ability to modify or approve rate or fee changes affecting the component units' revenue.

Louisiana Utilities Restoration Corporation, P.O. Box 91154, Baton Rouge, LA 70802-9154, serves to finance utility system restoration costs.

State Plumbing Board of Louisiana, 12497 Airline Highway, Baton Rouge, LA 70817, regulates the plumbing industry within the State.

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is able to impose its will on the following organizations by veto, overruling or modifying decisions of the following organization's governing board.

- Bayou D'Arbonne Lake Watershed District, P.O. Box 696, Farmerville, LA 71241. The district has a December 31 fiscal year end.

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is able to impose its will on the following organizations by its ability to appoint, hire, or dismiss employees or management of the component unit:

Louisiana Egg Commission, P.O. Box 1951, Baton Rouge, LA 70821, strives to educate consumers of all ages on the nutritional value of egg and egg products. The Commission also approves and issues licenses to entities engaged in egg production and wholesale.

Louisiana Lottery Corporation, 555 Laurel Street, Baton Rouge, LA 70801, a nonprofit corporation, conducts and administers the State lottery to ensure the integrity of the lottery and maintain the dignity of the State and the general

welfare of its people. The board of directors consists of nine members appointed by the Governor.

Although the State does not appoint a voting majority of the board for the entities listed below, the entities are fiscally dependent on the State since the State approves their budgets. Also, a financial benefit/burden exists between the State and the component units since the State is legally entitled to or can otherwise access the entities' resources.

Louisiana Economic Development Corporation, P.O. Box 94185, Baton Rouge, LA 70804-9185, was established to serve as the single review board and administrator of the Department of Economic Development's financial assistance programs, such as loan guarantees and venture capital for small- and medium-sized businesses.

Natchitoches Historic District Development Commission, 781 Front Street, Natchitoches, LA 71457, created for the purpose of the planning and development of the Natchitoches Historic District, a national landmark.

The voting majority of the following discretely presented component unit's board members are appointed by the State and the State is obligated in some manner for the debt of the component unit.

Greater Baton Rouge Port Commission, P.O. Box 380, Port Allen, LA 70767-0380, regulates commerce and traffic within the port area. The fiscal year end of the port commission is December 31.

The voting majority of the following discretely presented component units' board members are appointed by the State and the State is legally entitled to or can otherwise access the component units' resources.

The Louisiana Housing Corporation (LHC) is a discretely presented component unit whose board members are appointed by the State and the State has a financial benefit/burden relationship with the corporation. LHC, 2415 Quail Drive, Baton Rouge, LA 70808, is responsible for managing the State's housing programs, most of which focus on providing affordable housing for persons with low and moderate incomes.

Louisiana Public Facilities Authority, 2237 S. Acadian Thruway, Suite 650, Baton Rouge, LA 70808, is a public trust authorized to issue obligations and provide funds to finance projects and programs in the best interest of the citizens of Louisiana. The authority has a December 31 fiscal year end.

Louisiana State Board of Private Investigator Examiners, 2051 Silverside Dr., Suite 190, Baton Rouge, LA 70808, regulates and licenses persons and businesses providing private investigative services.

Due to the nature and significance of the relationship between the following entities and the State, the financial statements would be misleading if they were excluded.

Acadiana Area Human Services District, 2313 Blue Haven Drive, New Iberia, LA 70563, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and addictive disorder services for the parishes of Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermillion parishes.

Capital Area Human Services District, 4615 Government Street, Building 2, Baton Rouge, LA 70806, was established to direct the operation of community-based programs and services relative to public health, mental health, developmental disabilities, and addictive disorder services for the parishes of Ascension, East Baton Rouge, East Feliciana, Iberville, Pointe Coupee, West Baton Rouge, and West Feliciana.

Central Louisiana Human Services District, P.O. Box 219, Evergreen, LA 71333, was created with local accountability and management of behavioral health and developmental disabilities services as well as any public health or other services contracted to the district by the Department of Health and Hospitals.

Florida Parishes Human Services Authority, 835 Pride Drive, Ste. B, Hammond, LA 70401, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington parishes.

Foundation for Excellence in Louisiana Public Broadcasting, 7733 Perkins Road, Baton Rouge, LA 70810 was established to support the Louisiana Educational Television Authority, the state agency charged with promoting public and educational television in Louisiana. The Foundation provides an endowment to support public television in Louisiana and may serve as a "repository" for funds to be utilized for the promotion, development, enhancement and assistance of public television in Louisiana.

Imperial Calcasieu Human Services Authority, 3505 5th Avenue, Ste. B, Lake Charles, LA 70607, was created with local accountability and management to provide behavioral health and developmental disabilities services to the parishes of Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis.

Jefferson Parish Human Services Authority, 3616 S. I-10 Service Road, Metairie, LA 70001, was established to provide administration, management, and operation of mental health, developmental disabilities, and addictive disorders services for the residents of Jefferson Parish.

Louisiana Beef Industry Council, 4921 I-10 Frontage Road, Port Allen, Louisiana 70767, was established to coordinate the fulfillment of the economic, political and social needs of the Louisiana cattle producers.

Louisiana Cancer Research Center, 1700 Tulane Avenue, Suite 1000, New Orleans, LA 70112, conducts research and promotes education in the diagnosis, detection, and treatment of cancer.

Louisiana Citizens Property Insurance Corporation, 433 Metairie Road, Suite 600, Metairie, LA 70005, is a nonprofit organization created to provide insurance plans to residential and commercial property applicants who are unable to procure insurance through the voluntary market. Louisiana Citizens Property Insurance has a December 31 fiscal year end.

Metropolitan Human Services District, 1010 Common Street, Suite 600, New Orleans, LA 70112, was established to direct the operation and management of mental health, developmental disabilities, and addictive disorders services for the residents of Orleans, St. Bernard, and Plaquemines parishes.

South Central Louisiana Human Services Authority, 521 Legion Avenue, Houma, LA 70364, was established to direct the operation and management of community-based programs and services relative to mental health, developmental disabilities, and substance abuse services for the residents of Assumption, Lafourche, St. Charles, St. James, St. John the Baptist, St. Mary, and Terrebonne parishes.

Southeast Louisiana Flood Protection Authority-East, 2045 Lakeshore Drive, Suite 422, New Orleans, LA 70122, and Southeast Louisiana Flood Protection Authority-West, 7001 River Road, Marrero, LA 70072, were created to provide regional coordination of flood protection. These two authorities are reported together as the Southeast Louisiana Flood Protection Authority-East and West (SLFPA-East and West). Entities under SLFPA-East and West for fiscal year 2014 include the Board of Commissioners-SLFPA-East, Board of Commissioners-SLFPA-West, Algiers Levee District, East Jefferson Levee District, Lake Borgne Basin Levee District, Orleans Levee District, and West Jefferson Levee District.

Relay Administration Board, P.O. Box 91154, Baton Rouge, LA 70821-9154, is charged with oversight of telephone relay services for the State, insuring equal access to telecommunications services for all hearing and speech impaired citizens. The board has a December 31 fiscal year end.

External Investment Pools

Louisiana Asset Management Pool (LAMP), 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130, is a cooperative endeavor created to establish an external local government investment pool administered by the State Treasurer. LAMP has a December 31 fiscal year end.

The Patients' Compensation Investment Trust Fund is comprised of assets of the Patients' Compensation Oversight Board, P.O. Box 3718, Baton Rouge, LA 70821. The Board has entered into a cooperative endeavor with the State Treasurer to hold and manage investments for the Board in the investment trust fund.

The Education Excellence Local Government Investment Trust Fund is comprised of cash and investments of certain local school boards from their share of proceeds and investment earnings from the Tobacco Settlement Agreement. LRS 39:99 allows local school boards the opportunity to enter into a contract to have its tobacco money invested and managed on its behalf by the State Treasurer's Office.

Related Organizations

Related organizations are those entities for which a primary government's accountability does not extend beyond appointing a voting majority of the board. The State is not financially accountable for the following related organizations, and they are not reported in the accompanying basic financial statements.

- Allen Parish Reservoir District
- Ambulance Service District Commission
- Amite River Basin Drainage Water and Conservation District
- Associated Branch Pilots of the Port of Lake Charles
- Associated Branch Pilots of the Port of New Orleans
- Bayou Desiard Restoration Commission
- Bayou Lafourche Fresh Water District
- Board of Commissioners of the Lake Charles Harbor and Terminal District
- Castor Creek Reservoir District
- Crescent River Port Pilots' Association
- Foundation for Louisiana
- Fourteenth and Sixteenth Wards Neighborhood Development District
- Gentilly Taxing District
- Glen Oaks Crime Prevention and Improvement District
- Greater Ouachita Port Commission
- Iberia Parish Levee, Hurricane, & Conservation District
- John K. Kelly Grand Bayou Reservoir District
- Kenner Naval Museum Commission
- Lake Vista Crime Prevention District
- Louisiana Naval War Memorial Commission
- Louisiana International Deep Water Gulf Transfer Terminal Authority
- Louisiana Used Motor Vehicle Commission
- New Orleans and Baton Rouge Steamship Pilots' Association
- New Orleans Regional Business Park
- North Lafayette Redevelopment Authority
- Parish Hospital Service Districts
- Patient's Compensation Fund Oversight Board
- Poverty Point Reservoir District
- River Region Cancer Screening and Early Detection District
- Seventh Ward Neighborhood Development District
- South Tangipahoa Parish Port Commission
- Southwest Acadiana Parishes Public Housing Rehabilitation District

- St. Mary Levee District
- Tangipahoa Parish Juvenile Justice District
- Terrebonne Levee and Conservation District
- Twelfth and Thirteenth Wards Neighborhood Development District
- West Ouachita Parish Reservoir Commission

Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. The purposes of a joint venture are to pool resources and share the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specific service recipients.

The Sabine River Authority of Louisiana, 15091 Texas Highway, Many, LA 71449-5718, participates equally with the Sabine River Authority of Texas in the Sabine River Compact Administration (Compact) and through the Sabine River Authority, with the Sabine River Authority of Texas, 450 Spur 135, Burkeville, TX 75932, in the Toledo Bend Joint Operation (Joint Operation). Separate financial statements are prepared for the operations of both the Compact and the Joint Operation and may be obtained by contacting the entities at the addresses above. The Compact was created under authority granted by an act of the Congress of the United States to provide equitable apportionment of the waters of the Sabine River and its tributaries. A five-member board composed of two members appointed by the governors of each state and one non-voting, ex-officio member appointed by the President of the United States administer the Compact. The Joint Operation was established by joint resolution of the Sabine River Authorities of Texas and Louisiana for the construction and operation of the Toledo Bend Dam and Reservoir project administered by a board composed of three members appointed by the Texas Authority and three members appointed by the Louisiana Authority. Costs of the Compact not paid by the federal government are to be paid equally by the two States, which share equally in the costs of the Joint Operation. Each State owns an undivided one-half share of all lands acquired for the project, and each State owns and is entitled to 50% of the water produced and 50% of the power generated by the Joint Operation and may sell, use, or otherwise dispose of its share without consent and permission of the other Authority.

The Sabine River Authority of Louisiana's share of the joint ventures is reported as a discrete component unit in the accompanying basic financial statements. For fiscal year 2014, the Sabine River Authority of Louisiana reported an increase in net position of $692,471 from fiscal year 2013.

The Pest Control Compact Insurance Fund Governing Board, P.O. Box 3481, Baton Rouge, LA 70821-3481, participates equally in the multistate Pest Control Compact and through the Interstate Pest Control Compact, 845 Sutherland Drive, Saint Albans, WV 25177. The Insurance Fund must annually submit to the governor of each party state a report covering its activities for the preceding year. Louisiana's participation in the Compact was confirmed by the Louisiana Legislature to alleviate financial losses from the depredations of pests and to protect fully against those pests that present serious dangers. The governing board of the Insurance Fund is made up of one representative from each party state that shall be entitled to one vote on such board; if provisions are made, the United States may be represented on the board not to exceed three representatives with non-voting powers. The budget of each party state shall contain a specific recommendation of the amount or amounts to be appropriated by each party state, which is one-tenth of the total budget in equal shares and the remainder in proportion to the value of agriculture and forest crops and products. The party states may request expenditures from the Insurance Fund.

Jointly Governed Organizations

A jointly governed organization is one governed by representatives from each of the governments creating it and one in which the participants do not retain an ongoing financial interest or financial burden; therefore, they are not reported in the accompanying basic financial statements. These organizations include the Gulf States Marine Fisheries Commission, Southern Rail Commission, Interstate Commission for Adult Offender Supervision, Interstate Insurance Product Regulation Compact and Commission, Interstate Commission for Juveniles, and Interstate Commission on Educational Opportunity for Military Children.

B. BASIS OF PRESENTATION

The financial report consists of Management's Discussion and Analysis (MD&A), basic financial statements, notes to the basic financial statements, and required supplementary information other than the MD&A. The MD&A provides an analytical overview of the financial activities of the State. The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the basic financial statements.

The government-wide statements consist of a statement of net position and a statement of activities. These statements are prepared using the economic resources measurement focus and accrual basis of accounting. Major revenues such as sales tax, general severance tax, gasoline tax, and tobacco tax are assessed, collected, and susceptible to accrual. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses of the government are reported in the government-wide financial statements. The statements distinguish between the governmental and business-type activities of the primary government and between the total primary government and its component units by reporting each in separate columns. Fiduciary activities and component units that are fiduciary in nature, whose resources are not available to finance the

government's programs, are excluded from the government-wide statements.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the statement of net position. The statement of activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the State. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are sales of commodities, licenses, permits, and fees. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The fund financial statements report the State as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the General Fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered 45 days after the end of the fiscal year, except for federal grants, which generally are considered available for 12 months after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities, which are recognized when due.
- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. Each statement has a column for the major enterprise fund, one that combines all the nonmajor enterprise funds, and one column that reports all internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows. Internal service funds are included in governmental activities for government-wide reporting purposes, and the excess revenues or expenses from the funds are allocated to the appropriate functional activity.
- The fiduciary fund statements include a statement of net position and a statement of changes in net position, with one column for each of the four types of fiduciary funds. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting, except for agency fund statements which use the accrual basis but do not have a measurement focus, as they report only assets and liabilities.

Although the financial statements presented in each of these three schedules contain "total" columns, they merely combine rather than consolidate the funds. Hence, interfund transactions that generate receivables and payables or transfers from one fund to another are not eliminated.

Major Funds

Major funds are those whose revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources are at least 10 percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the corresponding element total for all governmental and enterprise funds combined.

The data on the face of the three sets of financial statements must be accompanied by certain disclosures to ensure accurate information is presented in the financial report. This additional information is presented in the form of a single set of notes to the basic financial statements.

Governmental Funds

The major governmental funds of the State are the General Fund, the Bond Security and Redemption Fund, Capital Outlay Escrow Fund, and the Louisiana Education Quality Trust Fund.

General Fund - The General Fund is the principal operating fund of the State, and was established administratively to provide for the distribution of funds appropriated by the state legislature for the ordinary expenses of state government. Transactions related to resources that are not accounted for in other funds are recorded in the General Fund. Revenues include the direct deposit of federal grants and the transfer of state revenues from the Bond Security and Redemption Fund after debt requirements and obligations to other funds are met.

Bond Security and Redemption Fund - This fund is used to provide for the collection of all money deposited into the State Treasury except federal funds, donations, or other forms of assistance when the terms and conditions of the related agreements require otherwise. Each fiscal year, an amount is allocated from this fund sufficient to pay all obligations secured by the full faith and credit of the State that are due and payable within the current fiscal year, including debt principal, interest, premiums, and sinking or

reserve funds. Except as otherwise provided by law, money remaining in the fund is credited to the General Fund at year-end.

Louisiana Education Quality Trust Fund - Once requirements of the Bond Security and Redemption Fund have been met, certain funds received from the federal government attributable to mineral production or leases on the outer continental shelf are deposited by the State Treasurer into this fund. The money is held in a trustee capacity to be used for various educational purposes.

Capital Outlay Escrow Fund - This fund provides for the capital outlay expenditures of state government, state institutions, and other public entities as appropriated by the legislature. Sources of funding include federal revenues, transfers from the General Fund and Transportation Trust Fund, interest earnings, and contributions from other sources.

Proprietary Funds

Proprietary Funds are reported in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and continue to apply as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements. These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services as their principal operation. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The State has two types of proprietary funds:

- *Internal service funds* account for the provision of services, primarily given by one department to another, on a cost reimbursement basis. The activities accounted for in internal service funds include copy and mail services, aircraft services, telecommunications, and financing and acquiring public facilities for lease to the State.
- *Enterprise funds* account for the activities for which fees are charged to external users for goods or services.

The State's major enterprise funds are the Unemployment Trust Fund and the Louisiana Community and Technical College System.

Unemployment Trust Fund - This fund accounts primarily for the unemployment tax payments from employers to be used for the payment of unemployment benefits to eligible claimants.

Board of Supervisors of the Louisiana Community and Technical College System - This entity provides strategic management and support for Louisiana's 13 comprehensive community and technical colleges.

Major Discrete Component Units

The following criteria are used when determining a major discrete component unit:

a) the services provided by the component unit to the citizenry are such that reporting as a major component unit is considered to be essential to the financial statement users;
b) there are significant transactions with the primary government; and
c) there is a significant financial benefit or burden relationship with the primary government.

The State's major discrete component units are as follows:

- Louisiana State University System
- Southern University System
- University of Louisiana System
- Board of Regents
- Louisiana Lottery Corporation
- Louisiana Stadium and Exposition District

Fiduciary Funds

By definition, these funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds, and cannot be used to address activities or obligations of the government. These funds are presented in the fund financial statements, but are not incorporated into the government-wide statements. Fiduciary Funds are not subject to the major/nonmajor fund classification. There are four types of fiduciary funds:

- *Pension trust funds* account for resources held in trust for members and beneficiaries of the four employee pension plans.
- *Investment trust funds* account for the portion of the government's investment pools that belong to others.
- *Private-purpose trust funds* report all other trust arrangements benefiting those outside the government.
- *Agency funds* contain resources held by the government in a temporary, purely custodial capacity for others (excluding agencies of the State) and do not involve measurement of results of operations. This method of reporting is consistent with GASB Statement No. 34, *Basic Financial Statements–and Management's Discussion and Analysis–for State and Local Governments*, paragraph 111.

C. ASSETS, LIABILITIES, DEFERRED INFLOWS, DEFERRED OUTFLOWS, AND NET POSITION OR FUND BALANCES

Cash and Investments

The State Treasurer pools those cash resources for which he is responsible and invests them accordingly. For purposes of the financial statements, including the Statement of Cash Flows, the State considers all highly

liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Cash and investment earnings are recorded in the General Fund unless statutorily dedicated to specific funds. Cash and investment limitations are discussed in Note 2 (Deposits and Investments).

The investments of the pension trust funds are reported at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market value are reported at estimated fair value.

Receivables and Payables

Activity between funds that is outstanding at the end of the fiscal year is referred to as either "due to or due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Amounts reported in the funds as receivable from or payable to fiduciary funds are included in the statement of net position as receivable from and payable to external parties rather than as "internal balances." All internal balances are eliminated in the total primary government column. Receivables of the primary government and its component units or between those components include all amounts susceptible to accrual that have not been collected at June 30. They include all amounts earned, but not collected, at June 30th. Receivables (net of any uncollectible amounts) and payables are reported on separate lines.

Each of the defined benefit pension plans accounted for as a pension trust fund uses the accrual basis of accounting under which revenues are recognized when earned and expenses are recognized when incurred. Within this context, employer and employee contributions are recognized when due, pursuant to formal commitments, as well as statutory and contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Inventories and Prepaid Items

Inventories consisting predominately of materials and supplies held for consumption, merchandise and livestock held for resale, and expendable medical supplies are valued primarily using the average cost method. The consumption method is used for financial reporting. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Derivatives

In accordance with their investment authority, the primary government and component units invest in derivative financial instruments. These derivatives may be held to maximize yields on investments to hedge against changes in interest rates. Risks associated with derivative instruments include the potential for loss in the event of nonperformance by other parties to the contracts, market risk as a result of possible future changes in market prices, and legal risk, the risk that a transaction will be prohibited by law, regulation, or contract.

Restricted Assets

Restricted assets represent primarily cash, investments, and receivables held separately and restricted according to applicable bond indenture agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure is reported retroactively to 1960. Capital assets are recorded as expenditures generally in the Capital Outlay Escrow Fund at the fund level and capitalized at the government-wide level; capital assets of enterprise and internal service funds are reported in the respective funds. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the assets are not capitalized. For reporting purposes, the State has defined capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Movable property consists of assets that are not fixed or stationary in nature with an initial, individual cost of at least $5,000. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee to leased property. The capitalization threshold for buildings and improvements is $100,000. They are depreciated principally using the straight-line method with an estimated useful life typically of 40 years for structures and improvements and 20 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the term of the lease. Construction-in-progress is not depreciated.
- Infrastructure assets are roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure has a capitalization

threshold of $3,000,000, and is depreciated using the straight-line method with an estimated useful life of 40 years.
- Purchased computer software has a capitalization threshold of $1,000,000 and is depreciated using the straight-line method over an estimated useful life of 3 years.
- Internally generated software has a capitalization threshold of $1,000,000, and is depreciated using the straight-line method over an estimated useful life determined by its value. Internally generated software valued at $10,000,000 or less is depreciated over 7 years and internally generated software valued over $10,000,000 is depreciated over 10 years.
- Historical treasures and works of art are items held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain, and therefore are not capitalized or depreciated.
- Donated capital assets are valued at their estimated fair market value at the time of donation.

Hospitals and medical units within Louisiana State University Health Sciences Center are subject to federal cost reporting requirements and use capitalization and depreciation policies of the Centers for Medicare and Medicaid Services (CMS) to ensure compliance with federal regulations. These capitalization policies include a threshold of $5,000 for all assets, depreciable lives greater than 40 years on some assets, and recognition of a half year of depreciation in the year of acquisition and final year of useful life.

Compensated Absences

Classified and unclassified state employees earn annual leave and sick leave at various rates depending on the number of years of service. The amount of annual and sick leave that may be accrued by each employee is unlimited. An employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. For employees under the supervision of the Board of Elementary and Secondary Education or other boards of control of publicly supported educational institutions, Louisiana Revised Statutes (LRS) 17:425 provides for payment of up to 25 days of unused sick leave at the time of retirement, or death if prior to retirement.

Upon a member's retirement, annual leave balances in excess of 300 hours and the number of hours of unused sick leave are converted into years or fractions of years and added to the number of years of service earned by the retiree. Unused annual and sick leave is applied to the number of years of service only for computing the rate of pay due to the retiree and does not count toward the number of years necessary for retirement. Act 343 of 1993 allows members retiring after August 15, 1993, to elect to receive an actuarially determined lump-sum payment for unused leave that would have been converted for retirement credit.

An employee who is required to work overtime may, at the option of the appointing authority, be credited with compensatory leave for the hours required to work. Certain employees earn this leave at time and one-half, whereas others earn on an hour-for-hour basis. Generally, employees in positions at or below a certain pay level may be paid upon separation or transfer, based on the employee's final regular rate of pay. Compensatory leave for all other employees is canceled upon separation or transfers from the department in which it was earned.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net position. The General Fund has typically been used to liquidate other long-term liabilities such as compensated absences, claims and litigation payable, etc. (see "Other liabilities," Note 8, Section D, under "Governmental Activities"). In accordance with GASB Statement No. 62, paragraph 187, unamortized balances of premiums and discounts are netted against the outstanding balance of the related bonds payable. Unamortized premium and discount balances are displayed in Note 8, Section D.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense or expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The State has the following items that are reported as deferred inflows or outflows of resources: the accumulated increase/decrease in the fair value of hedging derivatives, fines and penalties received in advance of meeting time requirements, deferred amounts on debt refunding, and unavailable revenue. Unavailable revenue arises only under a modified accrual basis of accounting, so it is reported only in the governmental funds balance sheet.

Fund Balance Classifications and Net Position

Fund balances are reported under the following fund balance classifications:
- Nonspendable – includes amounts that cannot be spent because they are not in spendable form (e.g., inventories) or are legally or contractually required to be maintained intact (e.g., corpus of a permanent fund).
- Restricted – includes amounts that have constraints placed on the use of the resources either by an external party or by imposition of law through constitutional provisions or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the State Legislature, the State's highest level of decision making authority. Those

committed amounts cannot be used for any other purpose unless the state legislature removes or changes the specified use by taking the same type of action employed to commit those amounts. This formal action is the passage of law by the Legislature, or creating, modifying or rescinding an appropriation.

- Assigned – includes amounts that are constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Through acts of the State Legislature, the Joint Legislative Committee on the Budget and the Office of Planning and Budget, under the authority of the Commissioner of Administration, have been delegated the authority to assign amounts to be used for specific purposes.
- Unassigned – includes amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund.

The State has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the State is to use committed resources first, followed by assigned, and then unassigned.

Net position is equal to assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is segregated into three categories on the government-wide statement of net position: net invested in capital assets; restricted; and unrestricted. Net invested in capital assets consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other debt attributable to the acquisition, construction, or improvement of such assets. Restricted net position represents the portion of net position that consists of restricted assets reduced by liabilities and deferred inflows related to those assets. The State first uses restricted assets for expenses incurred when both restricted and unrestricted net position is available for use.

D. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic resources measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepayments, long-term debt, accrued interest, long-term liabilities, assets and liabilities of internal service funds, and deferred inflows/outflows of resources, which are shown on the government-wide but not the governmental fund statements.

E. BUDGETS AND BUDGETARY ACCOUNTING

Legislation requires that on or before November 15, the head of each spending agency submit to the Governor, the Joint Legislative Committee on the Budget, and the Legislative Fiscal Office an estimate of the financial requirements and receipts of the budget unit for the upcoming fiscal year (LRS 39:33). The Governor is required to prepare an executive budget and transmit a copy to each member of the Legislature on the first day of the regular session (LRS 39:37). The budget is enacted into law by the Legislature and sent to the Governor for signature. The State Constitution prohibits the passage of an unbalanced budget (Article VII, Section 10). The Governor may veto any line item appropriation, subject to legislative override.

LRS 39:73 authorizes the transfer of funds between programs within a budget unit. The Commissioner of Administration may approve such a transfer when in aggregate the transfers are not more than 1% of the total appropriation to the budget unit and sufficient evidence is presented. The Commissioner, with the approval of the Joint Legislative Committee on the Budget, may approve the transfer of funds between programs within the budget unit when in aggregate the transfers do not exceed 25% of the total appropriation to the budget unit and sufficient evidence is presented. These and other requests for transfers are to be submitted by the budget unit to the Legislative Fiscal Office.

According to LRS 39:111, the Governor is required to submit to the Legislature, no later than the eighth day of the regular session, a proposed five-year capital outlay program. The Legislature enacts into law a bill incorporating the first year of the five-year capital outlay program. The Legislature adopts a concurrent resolution for the remaining four years of the five-year capital outlay program, itemizing the capital projects and the amount and source of funding for each of the subsequent four years.

According to LRS 39:77, in no event shall any budget unit commit to an expenditure in excess of the unencumbered balance of the allotment to which the resulting expenditure would be charged, without prior approval of the Interim Emergency Board and two-thirds of the Legislature. The Revenue Estimating Conference has been established to provide an official estimate of anticipated state revenues for each fiscal year. Appropriations by the Legislature from the state General Fund and dedicated funds for any fiscal year shall not exceed the official forecast in effect at the time the appropriations are made. The Governor may direct the Commissioner of Administration to reduce or disapprove warrants in order to prevent a cash deficit.

In accordance with LRS 39:82(A), agencies are allowed 45 days for closing out prior year activities. This statute limits the use of appropriation balances after the June 30 close to true liabilities, delineates those items eligible for roll forward treatment, and establishes a 45-day period to request such carry-forwards. After that time, all appropriations lapse except permanent capital outlay appropriations that remain

active until the projects are complete. Additionally, upon approval by the Commissioner of Administration, any federal funds and any state funds appropriated during a fiscal year specifically for matching federal grants may be carried forward into the upcoming year's appropriation.

Governments are required to present the original, final, and actual budgetary basis of the General Fund and each individual major special revenue fund that has a legally adopted annual budget. The accompanying Required Supplementary Information includes notes and a schedule making this comparison for the General Fund. For fiscal year 2014, there are no major special revenue funds.

The following governmental funds have legally adopted annual budgets:

- General Fund
- Bond Security and Redemption Fund
- Employment Security Administration Account
- Federal Energy Settlement Fund
- Incumbent Worker Training Account
- Labor Penalty and Interest Account
- Louisiana Tourism Promotion District
- Marsh Island Operating Fund
- Retirement System Insurance Proceeds Fund
- State Highway Fund #2
- Transportation Trust Fund

Each year, the Legislature enacts an appropriation bill to establish and re-establish ancillary funds to include the following enterprise and internal service funds: Administrative Services, Safe Drinking Water Revolving Loan Fund, Donald J. Thibodeaux Training Complex, Louisiana Federal Property Assistance Agency, Louisiana Property Assistance Agency, Clean Water State Revolving Fund, Office of Aircraft Services, Office of Telecommunications Management, and Prison Enterprises. Re-established funds are allowed to retain any surplus resulting from prior year operations. These and all monies from self-generated revenues are available for expenditure in the amounts appropriated. The Commissioner of Administration may approve increases from self-generated revenues, not exceeding in aggregate 5% of appropriated self-generated revenues. Only with the approval of the Division of Administration and the Joint Legislative Committee on the Budget will any larger increase in self-generated revenue over the amount appropriated be available to agencies for expenditure.

F. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

A. DEPOSITS

Bank account and short-term investments, such as nonnegotiable certificates of deposit and money market deposit accounts, are included as deposits. In accordance with LRS 49:321, state depositing authorities shall require as security for deposit of state funds authorized bonds or other interest-bearing notes; authorized promissory notes, warrants, or certificates of indebtedness unmatured or payable on demand; or notes representing loans to students guaranteed by the Louisiana Student Financial Assistance Commission. Fair value, excluding interest, of such securities held by the depositing authority shall be equal to 100% of the amount on deposit to the credit of the depositing authority except that portion appropriately insured. Designated depositories may be granted a period not to exceed five days from the date of any deposit to post the necessary security.

The following chart presents bank deposit balances for the primary government as of June 30, 2014. Deposits are listed in terms of whether they are exposed to custodial credit risk, which is the risk that the state's deposits may not be returned in the event of a bank failure. Deposits are exposed to custodial credit risk if they are either: a) uninsured and uncollateralized, b) uninsured and collateralized with securities held by the pledging financial institution, or c) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

Bank Deposit Balances (Expressed in Thousands)

	Deposits Exposed to Custodial Credit Risk				
	Uninsured and Uncollateralized	Uninsured and Collateralized with Securities Held by Pledging Institution	Uninsured and Collateralized with Securities Held by Pledging Institution's Trust Dept. or Agent but not in State's Name	Total Bank Balances – All Deposits	Total Carrying Value – All Deposits
Primary Gov't & Fiduciary:					
Cash	$ 184,082	$ 89,583	$ 2,183	$ 2,378,065	$ 2,267,100
Certificates of Deposit				127,791	121,933
Other	18,059	6,858	70,246	575,513	575,203
Total Bank Balances	$ 202,141	$ 96,441	$ 72,429	$ 3,081,369	$ 2,964,236

B. INVESTMENTS

LRS 49:327 authorizes the State Treasurer to invest available monies in direct Treasury obligations, government agency obligations, corporate bonds, perfected repurchase agreements, and reverse repurchase agreements, time certificates of deposit in specified banks, savings accounts or shares of certain savings and loan associations and savings banks, or in share accounts and share certificate accounts of certain credit unions. Such securities shall not have weighted-average maturities in excess of five years from the purchase date, except monies invested from special funds (those not considered general funds) which shall not exceed 10 years from the date of purchase. Repurchase Agreements must be collateralized by the pledge of securities at 102%. Funds not on deposit in the State Treasury are authorized to be invested in time certificates of deposit of specified banks, in savings accounts or shares of specified savings and loan associations and savings banks, or in share accounts and share certificate accounts of specified credit unions. Funds determined to be available for investment for less than 30 days are authorized to be invested in direct United States Treasury obligations that mature in not more than 29 days after the date of purchase. These funds are also required to be fully insured or collateralized.

Because of limited maturity dates, availability of securities, and yield, perfected repurchase agreements are entered into for short-term management purposes. LRS 49:341 - 343 grants defined public entities the authority to invest bond proceeds and monies held in any fund established in connection with bonds in any direct obligation of, or obligation guaranteed by, the United States and in tax-exempt bonds until proceeds are required to be expended for the purpose of the issue.

LRS 39:99 directs the State Treasurer to offer each local school board the opportunity to enter into contract with the State to have its share of tobacco settlement monies invested and managed on its behalf by the State Treasurer. The State Treasurer maintains these monies in a pooled investment known as the Louisiana Education Excellence Fund, an external investment pool that is not registered with the SEC as an investment company. The pool invests in Treasury obligations, corporate bonds, and other securities as prescribed by LRS 17:3803. The securities are valued at fair market value, which are updated at least weekly and

as often as daily. The State Treasurer neither guarantees nor obtains any legally binding guarantee to support the values of the shares in the pool. Participant's share of investments sold and redeemed in the pool is determined on a dollar basis and the earnings of the fund are credited back to the participants on a pro rata basis. As of June 30, 2014 the par value of the securities within the Louisiana Education Excellence Trust Fund is $26,033,921 and the carrying value, which equates fair market value, is $26,940,427.

LRS 11:263 directs Louisiana's pension systems to invest in accordance with the prudent man rule. As used in this statute, the rule means that the systems ". . . act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." Notwithstanding the prudent man rule, no governing authority of any system shall invest more than 55% of the total portfolio in equities. Pension systems are required to give weight to certain factors including, but not limited to the experience of the professionals who will manage each investment, the jurisdiction of the laws that govern each investment, and the risk of fluctuations in currency that may accompany each investment when making investment decisions In addition, pension systems are further required to submit quarterly reports, as specified in the statute, to the House and Senate committees on retirement

Management of the cash and investments held by the State Treasurer is independent of the automated accounting system of the state. The vast majority of the cash reported on the financial statements within all fund types is reported by the State Treasurer as investments for this note disclosure. In order to accurately compare the cash and investments shown on the accompanying financial statements with the carrying values of deposits and investments in the schedules presented as part of this note disclosure, the following reconciliation is provided (amounts expressed in thousands):

Carrying Value of Deposits per Note	$ 2,964,236	
Carrying Value of Investments per Note	44,005,931	
		$ 46,970,167
Cash per Financial Statements	$ 6,344,872	
Investments per Financial Statements	40,380,192	
Restricted Cash per Financial Statements	72,042	
Restricted Investments per Financial Statements	71,763	
Reconciling Items between Note and Financial Statements	101,298	
		$ 46,970,167

C. INVESTMENTS - CUSTODIAL CREDIT RISK

The following chart presents the investment position of the State at June 30, 2014, unless otherwise noted. The various types of investments are listed and presented by whether they are exposed to custodial credit risk by the State. Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction the State will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the name of the State

	Investments Exposed to Custodial Credit Risk (Expressed in Thousands)			
	Uninsured, Unregistered, and Held by Counterparty	Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name	All Investments Reported Amount	All Investments Fair Value
General Government:				
Negotiable Certificates of Deposit		$2,245	$6,581	$6,581
Repurchase Agreements			30,761	30,761
U.S. Government Obligations:				
On Securities Loan			4,034,912	4,034,912
Not On Securities Loan		26,687	130,103	130,103
Common & Preferred Stock			261,478	261,478
Domestic & Foreign Bonds		7,500	1,523,833	1,523,833
Mortgages, Notes and Other			1,592	1,592
Miscellaneous Short Term				
Mutual Funds			770,821	770,821
Miscellaneous			729	729
Total General Government		36,432	6,760,810	6,760,810

	Investments Exposed to Custodial Credit Risk (Expressed in Thousands)			
	Uninsured, Unregistered, and Held by Counterparty	Uninsured, Unregistered, and Held by Counterparty's Trust Dept. or Agent but not in the State's Name	All Investments Reported Amount	All Investments Fair Value
Retirement Systems and Other Trusts:				
Repurchase Agreements			197,175	197,175
U.S. Government Obligations:				
On Securities Loan			500,438	500,438
Not On Securities Loan			978,868	978,868
Common & Preferred Stock:				
On Securities Loan			2,687,739	2,687,739
Not On Securities Loan			14,097,025	14,097,025
Domestic & Foreign Bonds:				
On Securities Loan			415,302	415,302
Not On Securities Loan			3,885,402	3,885,402
Mortgages, Notes and Other			198,431	198,431
Miscellaneous Short Term			2,774,073	2,774,073
Mutual Funds		59	459,232	459,232
Real Estate			1,425,096	1,425,096
Synthetic Guaranteed Investment Contracts			428,631	428,631
Mezzanine Financing Investments			385,219	385,219
Alternative Investments			5,126,133	5,126,133
Collateral Held Under Securities Lending Program		177,755	3,686,357	3,686,357
Total Retirement Systems and Other Trusts		177,814	37,245,121	37,245,121
TOTAL INVESTMENTS		$214,246	$44,005,931	$44,005,931

D. INVESTMENTS - INTEREST RATE RISK

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of investments. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics.

State Treasury

The State Treasury limits the interest rate risk of the General Fund by limiting maturities of its investments to five years or less. The interest rate risk of certain special funds within the State Treasury is limited by restricting maturities of their investments to ten years or less. The interest rate risk of the Louisiana Education Quality Trust Fund (LEQTF), Millennium Trust Fund, and the Medicaid Trust Fund portfolios are limited by managing their maturity and duration using fixed income indices as benchmarks to gauge and limit such risk. Further, these portfolios' durations are limited by policy to 15 years or less for LEQTF, and 10 years or less for the Millennium Trust Fund and the Medicaid Trust Fund to minimize interest rate risk.

As of June 30, 2014 the State Treasury has no investments with fair values that are highly sensitive to changes in interest rates due to their terms or characteristics, but held $495,932,426 in securities whose coupon rates were subject to change.

As of June 30, 2014, the State Treasury had the following debt investments and maturities (amounts expressed in thousands).

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
U.S. Government Obligations	$3,127,978	$898,057	$1,987,306	$221,238	$21,377
U.S. Agency Obligations	1,022,591	304,740	294,274	256,564	167,013
Corporate Bonds	864,205	63,974	281,145	301,902	217,184
Municipal Bonds	636,642	38,352	91,637	249,775	256,878
Non US Sovereign Securities	18,000		18,000		
Total	$5,669,416	$1,305,123	$2,672,362	$1,029,479	$662,452

Retirement Systems and Other Trusts

At June 30, 2014, the Louisiana School Employees' Retirement System (LSERS) held $544,802,973 in total debt investments, $156,295,597 with maturities of less than 1 year, $112,790,072 with maturities of 1 to 5 years, $109,178,869 with maturities of 6 to 10 years, and $166,538,435 with maturities of more than 10 years. The Louisiana State Employees' Retirement System (LASERS) held $2,592,728,413 in total debt investments, $1,434,206,222 with maturities of less than 1 year, $329,317,670 with maturities of 1 to 5 years, $470,318,951 with maturities of 6 to 10 years, and $358,885,570 with maturities of more than 10 years. The Teachers' Retirement System of Louisiana (TRSLA) held $4,309,480,582 in total debt investments, $1,006,201,393 with maturities of less than 1 year, $1,343,984,785 with maturities of 1 to 5 years, $961,142,152 with maturities of 6 to 10 years, and $998,152,252 with maturities of more than 10 years. The Louisiana State Police Retirement System (LSPRS) held $36,173,256 in total debt investments, $1,009,001 with maturities of less than 1 year, $10,487,461 with maturities of 1 to 5 years, $11,349,178 with maturities of 6 to 10 years, and $13,327,616 with maturities of more than 10 years.

The TRSLA and LSPRS investment policies expect its fixed income managers to approximate the portfolio's duration to established benchmarks for fixed income investments. LSERS investment policy indicates that its fixed income securities portfolio is limited to 20% for domestic and 15% for international debt securities. LASERS have no formal interest rate risk policy, but LASERS expects its fixed income managers to approximate the portfolio's duration to within two years of its respective benchmarks for fixed income investments.

The table below displays the aggregate total of the state retirement systems and other trusts debt investments by type and maturities (amounts expressed in thousands) as of June 30, 2014.

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
U.S. Government obligations	$1,165,516	$156,955	$332,194	$200,370	$475,997
U.S. Agency obligations	201,968	14,124	27,778	12,716	147,350
Mortgage backed securities and Collateralized mortgage obligations	306,559	48	11,980	16,883	277,648
Corporate bonds	1,336,957	81,723	486,137	569,818	199,279
Foreign bonds	2,363,803	341,936	929,776	716,151	375,940
Mutual funds	4,253	4,253			
Other bonds					
Other	2,283,523	2,042,254	97,008	83,571	60,690
Total	$7,662,579	$2,641,293	$1,884,873	$1,599,509	$1,536,904

E. INVESTMENTS - CREDIT RISK & CONCENTRATION OF CREDIT RISK

The credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations (rating agencies) such as Standard & Poor's (S&P) and Moody's. The concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in mutual funds, or external investment pools).

State Treasury

State statutes and investment policies limit the State Treasury investments to government securities with explicit guarantees by the U.S. government, agency securities with implicit U.S. government guarantees, and other fixed income securities with investment grade ratings by Moody's and S&P. The State Treasury has no limit on the amount it may invest in any one issuer.

Originally, Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) securities held by the State carried an implicit guarantee of the US Government, but are now backed by a capital pledge of the US government. Of the State Treasury's total investments, 5.7% are issues of the Federal National Mortgage Association (Fannie Mae), 5.1% are issues of the Federal Home Loan Bank and 1.9% are issues of the Federal Home Loan Mortgage Corporation (Freddie Mac).

The accompanying table illustrates the State Treasury's investments exposure to credit risk as of June 30, 2014 (expressed in thousands):

Rating	Fair Value
U.S. Government Securities	$3,127,978
U.S. Government Agencies (GSEs)	1,022,592
AAA	393,271
AA	524,683
A	380,382
BBB	210,342
BB	65,603
B	15,136
Not Rated	1,260,909
Total	$7,000,896

Retirement Systems and Other Trusts

The investment policies of the state's retirement systems and other trusts prescribe the level of credit risk to which their investments in debt securities are exposed. The Louisiana Asset Management Pool (LAMP, an investment trust fund) had investments in U.S. government agency obligations with a fair value of $409,692,243, all of which were rated AAA by S&P and $690,881,457 in commercial paper rated at either A-1 or A-1+.

The accompanying table illustrates the State's Other Trusts' investments exposure to credit risk as of June 30, 2014 (expressed in thousands):

Rating	Fair Value
U.S Government Securities	$50,110
U.S. Government Agencies (GSEs)	48,120
AAA	16,141
AA	30,813
A	29,070
B	5,045
Not rated	1,311
Total	$180,610

LSPRS has the following investments that represent 5% or more of LSPRS's total investments at June 30, 2014: (1) Loomis Sayles Fixed Income Fund; (2) Aberdeen EAFE Plus Fund A Series; (3) Institutional Equity Large Cap Growth Fund; (4) State Street S&P Midcap 400 Index Securities Lending; (5) State Street S &P 500 Flagship Securities Lending; and (6) Templeton Foreign Equity Series. None of the other retirement systems or trusts had investments in any one issuer (other than those issued or guaranteed by the U.S. government) that represented more than 5% of its total investments.

The following table details the total fair market value of investments in debt securities exposed to credit risk at June 30, 2014 for each of the state's retirement systems.

	Fair Value (in thousands)			
Rating	LSERS	LASERS	TRSLA	LSPRS
AAA	$11,734	$ 22,731	$1,155,345	$1,044
AA+	10,438	271,469		1,132
AA	3,248	5,921		937
AA-	3,599	189,603		2,040
A+	14,484	98,293		3,108
A	66,707	110,394		14,109
A-	22,672	28,633		3,074
A-1		441,916	45,611	
A-1+		181,382		
A-2			117,364	
A-3			253,566	
AA1			146,808	
AA2			34,181	
AA3			122,835	
BBB+	21,263	52,230		1,098
BBB	19,373	55,025		
BBB-	15,652	41,431		
BB+	2,284	48,801		
BB	928	70,263		
BB-	4,571	64,063		
B+	602	56,005		
B	1,212	69,935		
B-	573	77,728		
B1			91,239	
B2			58,805	
B3			66,095	
BA1			116,002	
BA2			90,967	
BA3			62,777	
BAA1			179,559	
BAA2			317,288	
BAA3			98,719	
CA			2,408	
CAA1			27,457	
CAA2			22,966	
CAA3			3,719	
CCC+	684	56,917		
CCC	4,774	32,687		
CCC-		7,141		
CC		2,679		
D	4,136	68,919		
Not Rated	158,115	538,563	424,265	
Total	$367,049	$2,592,729	$3,437,976	$26,542

F. FOREIGN CURRENCY RISK

State Treasury

The State Treasury limits the foreign currency risk of the State's investments by prohibiting investing in instruments denominated in foreign currencies. Also, the State has no deposits held by the State Treasury denominated in foreign currencies.

Retirement Systems and Other Trusts

Louisiana School Employees' Retirement System's (LSERS) investment policy targets 15% of its portfolio to be invested in foreign marketable securities and 10% in global fixed income. However, at June 30, 2014, the current position is 6% and 3% respectively and totals $185,168,733. The Louisiana State Employees' Retirement System

(LASERS) held foreign marketable securities with a fair value of $2,413,169,067 at June 30, 2014 and the Teachers' Retirement System of Louisiana (TRSLA) held $4,029,646,429. The Louisiana State Police Retirement System (LSPRS) investment policy allows no more than 15.0% of their portfolio to be international equities; however at June 30, 2014 the system held no international equities. The following table illustrates the total exposure to foreign currency risk at June 30, 2014 of $6,627,984,229 by currency denomination and investment type:

	Fair Value (U.S. dollars) (in thousands)	
Currency	Bonds	Stocks & Other
Australian dollar	$100,989	$182,814
Brazilian real	89,737	77,986
British pound	89,394	816,465
Canadian dollar	12,506	209,272
Chilean Peso		3,652
Columbian peso	25,520	7,450
Czech koruna		7,395
Danish krone	2,888	68,863
European euro	382,902	1,787,896
Hong Kong dollar		291,443
Hungarian forint	46,447	4,567
Indonesian rupiah	41,966	21,855
Israeli shekel		13,132
Japanese yen	24,289	695,910
Malaysian ringgit	50,839	32,698
Mexican new peso	207,313	27,881
New Taiwan dollar		28,100
New Turkish lira	57,669	18,523
New Zealand dollar	38,818	10,974
Nigerian Naira		1,752
Norwegian krone	5,452	37,604
Philippines Peso	6,874	2,967
Polish zloty	79,331	8,283
Romanian Leu	3,563	
Russian ruble	43,030	1,060
Singapore dollar		119,396
South African rand	68,387	104,989
South Korean won	30,894	91,532
Swedish krona	16,040	134,104
Swiss franc	985	346,883
Thailand baht	19,311	27,394
Total	$1,445,144	$5,182,840

G. SECURITIES LENDING

State Treasury and Other Trusts

In accordance with its authority under LRS 49:321.1, the State has entered into a securities lending agreement that functions as a reverse repurchase/repurchase arrangement, with Morgan Stanley acting as principal. Under the arrangement, Morgan Stanley purchases (or borrows) on an overnight basis that portion of the State's pool of U.S. Treasury and Agency securities which the State from time to time makes available for such purposes, with a simultaneous agreement to resell or repurchase such securities at the termination of the transaction. The reverse repurchase and repurchase transactions are executed pursuant to the terms of a paired repurchase agreement among the State, the Bank of New York and Morgan Stanley. The State receives U.S. Government Sponsored Entity, or "agency" collateral in addition to other eligible security collateral in return for the securities that it reverses to Morgan Stanley under the terms of the reverse repurchase transaction on a fixed-spread basis.

Four separate funds were included in the securities lending agreement for the fiscal year ending June 30, 2014. At June 30, 2014, the collateral exceeded the value of the securities on loan by $91,445,266 for the general fund, $13,395,535 for the Louisiana Education Quality Trust Fund (LEQTF), $7,268,134 for the Medicaid Trust Fund for the Elderly (the Medicaid Trust), and $10,649,732 for the Millennium Trust Fund (the Millennium Trust).

At June 30, 2014, the value of securities on loan was $3,547,492,169 for the Treasurer's pooled general fund investments; $241,776,086 for LEQTF; $73,016,356 for the Medicaid Trust Fund; and $172,627,422 for the Millennium Trust Fund.

In each transaction, Morgan Stanley delivers collateral from its account at the Bank of New York to the State's custodial account at the Bank of New York. The Bank of New York monitors the movement of the collateral to ensure it is sufficient (equal to at least 102% of the value of the securities borrowed) and in compliance with the terms of the reverse repurchase/repurchase agreement. The market value principal of the repurchase transaction can be modified on any given day for purchased, sold or matured securities. Morgan Stanley then receives any excess collateral, or delivers additional collateral, against the new principal market value of the State's investment securities on loan through the repurchase transaction. During the term of any particular transaction, the State's right to receive or sell the collateral is determined pursuant to the terms of the repurchase agreement, which provides for such rights upon borrower default, and in accordance with other applicable state and federal laws. The State has experienced no losses on securities lending transactions and loss indemnification is provided in the contract with Morgan Stanley.

The State's security lending agreements also include U.S. Government and Government Sponsored Entity securities held within the State's other trust funds (Education Excellence, & Louisiana Education Tuition & Savings Fund). As of June 30, 2014, the fair market value of the securities held within the trust funds was $180,609,895 of which $98,629,999 was on loan.

As of June 30, 2014, the State had limited credit risk exposure because the market value of the U.S. Government and Government Sponsored Entity securities pledged as

collateral to the State exceeded the value of securities the State had out on loan by $125,301,097. The value of the securities on loan was $4,133,542,032 and the total market value of the securities held as collateral was $4,258,843,129. The value of the collateral securities was 103.03% of the value of loaned securities. The Risk to the State is further mitigated because loss indemnification is provided to the State in the securities lending contract with Morgan Stanley.

Retirement Systems

The Teachers' Retirement System of Louisiana (TRSLA), the Louisiana State Police Retirement System (LSPRS), the Louisiana School Employees' Retirement System (LSERS), and the Louisiana State Employees' Retirement System (LASERS) are authorized by their respective boards of trustees to operate securities lending programs. These programs are designed to produce supplemental income on investments with little or no additional risk. All securities are available for loan to pre-approved securities dealers. Securities dealers must meet specific criteria to be approved. The TRSLA and LSPRS lend securities for cash, cash collateral or other securities/investment collateral. The LASERS and LSERS lend securities for cash, cash collateral, and U.S. government securities. Additionally, LSERS may lend its securities for irrevocable letters of credit and LASERS may lend securities for other securities/investments collateral. Collateral held under the programs, which may be reinvested by the systems under the terms of the agreement with the broker/dealer, is recorded as an asset with a corresponding liability; otherwise, the collateral is not recorded on the statement of net position. None of the retirement systems may pledge or sell collateral securities received unless the borrower defaults.

The TRSLA lends domestic securities for cash collateral of 100%, domestic securities for other securities collateral at 102%, and international securities for cash collateral or other securities collateral of 105%. The LSPRS and LASERS lend U.S. securities for collateral valued at 102% of the market value of the securities. LSERS lend U.S. securities for collateral valued at 103% of the market value of the securities. Non-U.S. securities are loaned for collateral valued at 104% of the market value of the securities for LSERS and 105% for LASERS. In instances where LSPRS, TRSLA and LSERS loans are for term, the reinvestment of the cash is matched to the maturity of the loan. The majority of LASERS loans are terminable at will. Therefore, their duration will not generally match the duration of the investments made with cash collateral.

At June 30, 2014, neither LASERS, LSPRS, TRSLA, nor LSERS had any credit risk exposure to borrowers at year end because the amount the plan owes the borrowers exceeds the amount the borrowers owe the plan. Securities loans of all four systems may be terminated on demand by either party within a period specified in the related agreement. There were neither significant violations of legal or contractual provisions, nor borrower or lending agent default losses known to the securities lending agents of LSPRS, LSERS, or TRSLA. However, due to disruptions in the credit markets beginning in the fall of 2008, prices of several securities dropped. At June 30, 2013, LASERS had an approximate $4,900,000 payable to BNY Mellon due to losses on Lehman Brothers securities. During fiscal year 2014, $3,600,000 in securities lending income has been applied bringing the balance owed to BNY Mellon to $1,300,000. The LSPRS, LASERS and LSERS have indemnification agreements with their securities lending agents in case of borrower default. Securities on loan at June 30, 2014 totaled $1,102,509,484 for LASERS, $43,127,503 for LSPRS, $2,186,033,141 for TRSLA, and $173,178,478 for LSERS.

H. DERIVATIVES

Governmental Activities

As of June 30, 2014, the State is a party to 6 pay-fixed, receive-variable interest rate swaps. These instruments are reported on the government-wide statement of net position at fair value. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swaps, assuming current forward rates implied by the yield curve. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon rate bonds due on the date of each future net settlement payment.

As of June 30, 2014, the State determined that all remaining pay-fixed interest rate swaps qualify for hedge accounting under GASB Statement No. 53. Accordingly, changes in fair market value are offset by corresponding deferred outflows/inflows of resources on the government-wide statement of net position. The tables below summarize the derivatives activity for the year and the key terms and objectives of the derivative instruments outstanding at June 30, 2014:

Summary of Derivative Instruments
Governmental Activities
(In Thousands)

	Changes in Fair Value		Fair Value at June 30	
	Classification	Amount	Classification	Amount
Hedging Derivative Instruments				
Cash Flow Hedges				
Pay-Fixed Interest Rate Swaps	Deferred Outflow of Resources	$ (1,825)	Derivative Instrument Liability	$ 1,825
Pay-Fixed Interest Rate Swaps	Deferred Inflow of Resources	$ (3,552)	Derivative Instrument Asset	$ 5,696
Investment Derivatives				
Pay-Fixed Interest Rate Swaps	Unrestricted Investment Earnings	$ (16,018)	Derivative Instrument Asset/Liability	$ -

Terms and Objectives of Hedging Derivative Instruments
(In Thousands)

Type	Notional	Objective	Effective Date	Maturity Date	Terms	Counterparty Credit Rating (Moody's/S&P)
Pay-Fixed, Receive Variable Interest Rate Swap	$46,500	Hedge changes in cash flows on the Gas and Fuels 2013 Series B-2 bonds	05/01/09	05/01/43	Pay 3.695%; Receive 70% of USD-LIBOR	Aa3/A+
Pay-Fixed, Receive Variable Interest Rate Swap	$14,125	Hedge changes in cash flows on the Gas and Fuels 2013 Series B-1 and B-2 bonds	05/02/09	05/02/41	Pay 3.699%; Receive 70% of USD-LIBOR	Aa3/A+
Pay-Fixed, Receive Variable Interest Rate Swap	$56,500	Hedge changes in cash flows on the Gas and Fuels 2013 Series B-2 bonds	05/02/09	05/02/41	Pay 3.692%; Receive 70% of USD-LIBOR	A2/A
Pay-Fixed, Receive Variable Interest Rate Swap	$186,000	Hedge changes in cash flows on the Gas and Fuels 2013 Series B-1 bonds	05/01/09	05/01/43	Pay 3.692%; Receive 70% of USD-LIBOR	A2/A
Pay-Fixed, Receive Variable Interest Rate Swap	$93,000	Hedge changes in cash flows on the Gas and Fuels 2014 Series A bonds	04/01/12	05/01/43	Pay 3.9235%; Receive 70% of USD-LIBOR	Aa2/AA-
Pay-Fixed, Receive Variable Interest Rate Swap	$28,250	Hedge changes in cash flows on the Gas and Fuels 2014 Series A bonds	04/01/12	05/01/41	Pay 3.3915%; Receive 70% of USD-LIBOR	Aa2/AA-

On November 1, 2013 proceeds from the issuance of the Gasoline and Fuels Tax Second Lien Taxable Revenue Refunding Bonds Series 2013-C-2 were used to terminate the interest rate swaps on the Series 2009A-4 Gas and Fuels Bonds. The State paid $14,895,900 to the counterparties upon termination resulting in investment earnings of $7,644,000.

On July 31, 2013 the State novated the pay-fixed interest rate swaps related to the Gasoline and Fuels Series 2009 A-3 bonds. On May 1, 2014 the State issued Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds Series 2014 A to refund the Gasoline and Fuels Series 2009 A-3 Bonds. For financial reporting purposes, the new swap agreements bifurcated into two separate components on both the novation date and the refunding date: 1) a pay-fixed, receive-variable interest rate swap with a reference rate equal to the market rate on the effective date and 2) an imputed borrowing component bearing an interest rate equal to the difference between the pay-fixed rate and the market rate on the effective date. Imputed borrowings are amortized over the remaining life of the associated interest rate swap by the portion of net settlement payments equal to the difference between the contracted pay-fixed rate and the new assumed pay-fixed rate on the imputed swap. The imputed borrowings for the 6 swaps are included in "Other Long-term Liabilities" in the government-wide statement of net position and are included in Note 8 Section D. The unamortized principal balance at June 30, 2014 for imputed borrowings on interest rate swaps was $124,401,387. Principal and interest paid for the year were $3,260,102 and $1,304,772, respectively.

Credit Risk: Credit risk is the risk that the counterparty will default on its obligation to make net settlement payments in accordance with the contract. The State is exposed to credit risk to the extent that the contracted receive-variable rates exceed the contracted pay-fixed rate. During the year, receive-variable rates never exceeded the pay-fixed rate. Consequently, the State had no exposure to credit risk during the year.

Interest Rate Risk: The State's participation in pay-fixed, receive-variable interest rate swaps exposes the State to interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of a government's financial instruments or a government's cash

flows. Fluctuations in interest rates affect the net settlement payments between the counterparties and the fair value of the swaps. Currently, the variable rate of interest the State receives under the swap agreements (70% of 1-month USD-LIBOR) is lower than the fixed rates the State pays (3.692% - 3.9315%). A decline in USD-LIBOR relative to the pay-fixed rates will adversely affect the State. On the other hand, an increase in USD-LIBOR relative to the pay-fixed rates will favorably affect the State.

Basis Risk: Basis risk is the risk that arises when variable rates or prices of a hedging derivative instrument and a hedged item are based on different reference rates. The variable rate the State received under the swap agreements and the variable rate paid to bondholders are both based on 1-month USD-LIBOR. Therefore, the State is not exposed to basis risk.

Termination Risk: The State or the swap providers may terminate the swap agreement if the other party fails to perform under the terms of the contract. As long as the State continues to perform its obligations on the swap contracts, there is no termination risk arising from the provider actions during the next fiscal period. However, the State is exposed to termination should the State determine to take action regarding the outstanding bonds which would trigger an event of termination on the existing swaps. Also, if at the time of the termination the swap has a negative fair value, the State would be liable to the swap providers for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that a hedging derivative instrument associated with a hedgeable item does not extend to the maturity of that hedgeable item. Because the interest rate swaps are coterminous with the hedged debt, the State is not exposed to rollover risk.

Market access Risk: Market-access risk is the risk that the State will not be able to enter credit markets or that credit will become more costly, resulting in the objective of derivative instrument not being achieved. The likelihood that the State will not be able to enter credit markets in the future is remote.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect cash flows or fair market values. The interest rate swaps do not expose the State to foreign currency risk.

Fiduciary Funds

LASERS, TRSL, and LSERS held investments in various derivative financial instruments including interest-only strips, principal-only strips, collateralized mortgage obligations, options, forward foreign exchange contracts, futures contracts, and synthetic guaranteed investment contracts (SGIC).

TRSL invests in interest-only strips and principal-only strips which are mortgage-backed securities that involve the separation of the interest and principal components of a security.

TRSL and LASERS invest in collateralized mortgage obligations which are collateralized by mortgages, mortgage pass-through securities, and stripped mortgage-backed securities and can be highly sensitive to interest rate fluctuations. Additionally, TRSL and LASERS invest in forward foreign exchange contracts which are contractual agreements between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency for an agreed upon exchange rate. The systems also invests in futures contracts which are agreements for delayed delivery of securities, currency, commodities, or money market instruments in which the seller agrees to make delivery at a specified future date of a specified instrument, at a specific price or yield. TRSL further invests in options on futures allowing the holder and writer of the option the right to exchange futures positions. LASERS also maintains a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of the SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. As of June 30, 2014, the fair value of LASERS Stable Value Fund was $435.4 million. The fair value of this fund exceeded the value protected by the wrap contract by $6.8 million. The counterparty rating for the wrap contract is AA.

The table below provides summary data for the State's outstanding derivative instruments within the fiduciary funds as of June 30, 2014.

Summary of Investment Derivative Instruments
Fiduciary Funds
(In Thousands)

	Notional	Changes in Fair Value		Fair Value at June 30	
		Classification	Amount	Classification	Amount
Futures Based Overlay Program	($2,316)	Net Appreciation/(Depreciation) in Fair Value of Investments	($4,632)	Domestic Bonds	($943)
Short Sales & Written Options	$0	Alternative Investment Income	($106,797)	Alternative Investments	($123,774)
Fixed Income Futures	($13,504)	Net Appreciation/(Depreciation) in Fair Value of Investments	$3	Not Applicable	$0
Forward Foreign Exchange Contracts	$1,791	Net Appreciation/(Depreciation) in Fair Value of Investments	($1,808)	Investments	($209)
Commodity Futures	$128,488	Net Appreciation/(Depreciation) in Fair Value of Investments	($6,448)	Alternative Investments	$1,432
Options	$0	Net Appreciation/(Depreciation) in Fair Value of Investments	($3,063)	Alternative Investments	$0

Risk Disclosures

Credit Risk: As of June 30, 2014 TRSL's credit risk had not increased with the use of the overlay strategy because the futures based overlay program uses exchange traded futures contracts. Likewise, LSER's has no direct credit risk exposure from the equity futures or fixed income futures because the futures are settled daily by the exchange, which is the counterparty for all transactions.

Interest Rate Risk: At June 30, 2014 LSERS is exposed to interest rate risk on the fixed income futures. The values of the futures are directly linked to interest rate indices which increase and decrease as interest rates change.

Foreign Currency Risk: As of June 30, 2014 LSER's fixed income futures and LASER's forward currency forwards were exposed to foreign currency risk. At June 30, 2014 the fixed income futures, which are denominated in Canadian dollars had a fair value of $0.

The following table illustrates LASER's total exposure to foreign currency risk at June 30, 2014 of ($1,999,696) by currency denomination:

Fair Value
(U.S Dollars)

Currency	Value
Australian Dollar	($9,237,552)
Brazilian Real	80,430
British Pound	241,977
Chilean Peso	226,866
Colombian Peso	1,968,335
Hong Kong Dollar	196,245
Hungarian Forint	1,225,619
Indonesian Rupiah	869,496
Malaysian Ringgit	2,300,718
New Zealand Dollar	(3,320,185)
Nigerian Naira	1,722,002
Philippines Peso	1,471,398
Russina Ruble	146,006
Singapore Dollar	108,949
Total	($1,999,696)

At June 30, 2014 TRSL's foreign currency risk has been reduced by use of the futures based overlay program. The use of the overlay program reduced the variance of TRSL's actual return to the benchmark return.

NOTE 3: ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Balances of receivables and payables have been aggregated for presentation in the accompanying financial statements. The following schedules provide additional detail concerning balances of receivables and payables by category and fund type.

A. RECEIVABLES

Receivable balances at June 30, 2014, are as follows (expressed in thousands):

	Governmental Funds					
	General Fund	Bond Security and Redemption Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Funds	Total Governmental Funds
Applicants and Clients	$ 335,171	$ --	$ --	$ --	$ --	$ 335,171
Corporate/Individual Tax	--	586,566	--	--	--	586,566
Excise Tax	--	88,603	--	--	--	88,603
Gaming	--	12,905	--	--	--	12,905
Licenses, Permits, and Fees	--	32,045	--	--	--	32,045
Mineral Resources	--	60,137	--	--	243	60,380
Motor Fuel Tax	--	43,390	--	--	374	43,764
Public Assistance	--	13,711	--	--	--	13,711
Sales of Commodities and Services	--	11,843	--	--	--	11,843
Sales Tax	--	348,894	--	--	1,811	350,705
Severance Tax	--	89,519	--	--	--	89,519
Tobacco Products Tax	--	21,191	--	--	--	21,191
Other Taxes	--	120,086	--	--	8,993	129,079
Other	2,771	25,645	506	5	1,008	29,935
Total Receivables	337,942	1,454,535	506	5	12,429	1,805,417
Allowance for Uncollectibles	--	(5,911)	--	--	--	(5,911)
Receivables, Net	$ 337,942	$ 1,448,624	506	$ 5	$ 12,429	$ 1,799,506
Amounts not expected to be collected within one year	$ --	$ 545,615	$ --	$ --	$ --	$ 545,615

	Proprietary Funds				
	Business-Type Activities – Enterprise Funds				Governmental Activities
	Unemployment Trust Fund	LCTCS	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Employer Contributions	$ 164,744	$ --	$ --	$ 164,744	$ --
Student Tuition and Fees	--	34,328	--	34,328	--
Other	--	317	6,539	6,856	5,009
Total Receivables	164,744	34,645	6,539	205,928	5,009
Allowance for Uncollectibles	(91,896)	(9,530)	--	(101,426)	--
Receivables, Net	$ 72,848	$ 25,115	$ 6,539	$ 104,502	$ 5,009
Amounts Not Expected to be Collected Within One Year	$ 15,875	$ 21	$ 654	$ 16,550	$ --

B. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals at June 30, 2014, are as follows (expressed in thousands):

	Governmental Funds				
	General Fund	Bond Security and Redemption Fund	Capital Outlay Escrow Fund	Nonmajor Funds	Total Governmental Funds
Aid to Local Governments	$ 15,339	$ --	$ --	$ --	$ 15,339
Community Development	69,849	--	--	--	69,849
Economic Development	5,340	--	--	--	5,340
Emergency Preparedness and Disaster Recovery	921,103	--	--	--	921,103
Engineering and Operations	24,570	--	--	--	24,570
General Administration	18,142	--	--	--	18,142
Highway Operation and Maintenance	--	--	269,763	--	269,763
Inmate Housing	16,739	--	--	--	16,739
Job Training and Placement Programs	9,056	--	--	--	9,056
Medicaid	499,969	--	--	--	499,969
Personal and Mental Health	31,884	--	--	--	31,884
Public Assistance	50,653	--	--	--	50,653
Public Safety and Law Enforcement	36,192	--	--	--	36,192
Recovery School District	27,264	--	--	--	27,264
Student-Centered Goals	37,896	--	--	--	37,896
School and District Innovations	29,212	--	--	--	29,212
School and District Supports	131,741	--	--	--	131,741
Other State Programs	101,767	170	--	6,769	108,706
Total Accounts Payable and Accruals	$ 2,026,716	$ 170	$ 269,763	$ 6,769	$ 2,303,418

	Proprietary Funds				
	Business-Type Activities – Enterprise Funds				Governmental Activities
	Unemployment Trust Fund	LCTCS	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
General and Administrative	$ --	$ 18,912	$ 540	$ 19,452	$ --
Vendors	--	13,716	5,139	18,855	--
Other	--	401	3,141	3,542	3,900
Total Accounts Payable and Accruals	$ --	$ 33,029	$ 8,820	$ 41,849	$ 3,900

NOTE 4: INTRA-ENTITY TRANSACTIONS

INTERFUND ACCOUNTS AND TRANSFERS

A. RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables at June 30, 2014, is shown below (expressed in thousands):

	Primary Government	
	Due From	Due To
GOVERNMENTAL FUNDS:		
General Fund	$ 1,149,752	$ 460,802
Bond Security and Redemption Fund	312,913	1,034,980
Capital Outlay Escrow Fund	233,771	153,325
Louisiana Education Quality Trust Fund	6,009	6,660
Nonmajor Funds	96,090	143,098
Total Governmental Funds	1,798,535	1,798,865
PROPRIETARY FUNDS:		
Unemployment Trust Fund	--	19
Louisiana Community & Technical Colleges System	7,670	315
Nonmajor Funds	1,411	8,417
Internal Service Funds	--	--
Total Proprietary Funds	9,081	8,751
GRAND TOTALS	$ 1,807,616	$ 1,807,616

B. TRANSFERS IN AND OUT

A summary of transfers in and out at June 30, 2014, is shown below (expressed in thousands):

	Primary Government	
	Transfers In	Transfers Out
GOVERNMENTAL FUNDS:		
General Fund	$ 12,618,666	$ 561,239
Bond Security and Redemption Fund	136,914	12,649,670
Capital Outlay Escrow Fund	1,101,268	62,183
Louisiana Education Quality Trust Fund	156,662	21,960
Nonmajor Funds	825,647	1,634,026
Total Governmental Funds	14,839,157	14,929,078
PROPRIETARY FUNDS:		
Unemployment Trust Fund	--	1,470
Louisiana Community & Technical Colleges System	166,097	2,056
Nonmajor Funds	9,368	49,768
Internal Service Funds	--	32,250
Total Proprietary Funds	175,465	85,544
GRAND TOTALS	$ 15,014,622	$ 15,014,622

C. DETAILS OF INTERFUND BALANCES AND TRANSFERS

Per the Louisiana Constitution, most state revenues are deposited into the Bond Security and Redemption Fund (BSRF). The BSRF is used to provide for the collection of all money deposited into the State Treasury except federal funds, donations, or other forms of assistance when terms and conditions of the related agreement require otherwise. This process is unique to Louisiana to ensure that all obligations secured by the full faith and credit of the State that are due and payable are met. Each month an amount is allocated from this fund to pay the obligations of the State, including debt principal, interest, premiums, and sinking or reserve funds. All monies remaining in the fund are transferred to the General Fund and various other funds. The BSRF does not retain a fund balance. As a result, there are a large number of transfers from BSRF to the General Fund and to other funds.

The General Fund, which is the principal operating fund of the State, provides for the distribution of funds appropriated by the legislature. The fund pays for the administrative and operating expenses of the State. The funds appropriated to the General Fund by the legislature consist of general revenue appropriations which includes transfers from BSRF and various special revenue funds. Special revenue funds account for the proceeds from specific revenue sources

which are used for specific purposes relating to the operations of the State. As a result of the appropriations process and as part of the general operations of the State, the General Fund receives a large number of transfers which are then used to provide for the day-to-day activities of the State.

Below is a discussion of the larger, more significant interfund transfers of the nonmajor funds.

- Transportation Infrastructure Model for Economic Development (TIMED) – This fund was established in 1989 to be used exclusively for specific road and bridge projects with portions designated for the Port of New Orleans and the New Orleans International Airport. During fiscal year 2014, this fund had transfers out of $22 million and transfers in totaled $18 million.

- Transportation Trust Fund – This fund, established in 1989, was created to receive the excess revenues on gasoline, motor fuels, and special fuels taxes. Purposes of the fund include highway construction and maintenance, statewide flood control, and ports and airports priority programs, among others. During fiscal year 2014, transfers out amounted to $1.3 billion and transfers in were $583 million.

SIGNIFICANT TRANSACTIONS BETWEEN THE PRIMARY GOVERNMENT AND MAJOR DISCRETELY PRESENTED COMPONENT UNITS

A. PRIMARY GOVERNMENT SUPPORT PROVIDED TO MAJOR DISCRETELY PRESENTED COMPONENT UNITS

The Legislature appropriates resources of the primary government to support the operations of various entities through the annual appropriations acts. The State also provides support to various entities through capital grants and contributions for projects authorized in annual capital outlay acts. For the fiscal year ended June 30, 2014, state appropriations to support the operations of major discretely presented component units and capital grants and contributions provided by the State for major discretely presented components units were as follows (in thousands):

	Support Provided by Primary Government		
Major Component Unit:	**Operating Appropriations**	**Capital Grants**	**Total Support**
Louisiana State University System	$ 404,289	$ 94,684	$ 498,973
University of Louisiana System	249,876	10,597	260,473
Southern University System	63,804	3,527	67,331
Board of Regents	39,456	--	39,456
Louisiana Stadium & Exposition District	16,353	39,540	55,893
Total	$ 773,778	$ 148,348	$ 922,126

B. LOUISIANA LOTTERY CORPORATION

The Louisiana Lottery Corporation (the Corporation) was created in accordance with LRS 47:9000-9081 and 14:90(C) to support elementary and secondary education in Louisiana. The Corporation is required to pay to the State an amount not less than 35% of the Corporation's gross revenues. The amount of gross revenues less costs that is determined to be surplus to the needs of the Corporation must also be paid to the State. In fiscal year 2014, the State received $161,664,700 from the Corporation. These amounts were used as a funding source for the Minimum Foundation Program. In addition, pursuant to Act 646 of the 2014 Regular Session the Corporation paid $9 million to the General Fund for economic development projects.

C. PUBLIC HOSPITAL LEASES

Act 3 of the 1997 Regular Session charged the LSU System with the responsibility of operating 10 public hospitals. These hospitals are the primary source of health care services for the indigent population of the State and account for over one million in-patient and out-patient visits each year. In addition, these hospitals are utilized by the LSU Health Sciences Center as teaching hospitals wherein the medical and dental faculty and medical education students provide the necessary medical care to patients. In fiscal years 2013 and 2014, public-private partnerships were executed to remove operational responsibility for these hospitals from the LSU System.

In consideration for allowing the private partners to operate the hospitals, the LSU System will receive lease payments over the life of the agreements. Act 420 of the 2013 Regular Session mandated that all collections of lease payments be deposited with the State Treasury. During fiscal year 2014, LSU deposited $132,852,741 in hospital lease payments with the State Treasury.

NOTE 5: CAPITAL ASSETS

A. PRIMARY GOVERNMENT (in thousands)

Governmental Activities:	Capital Assets July 1, 2013	Additions	Deletions	Capital Assets June 30, 2014
Capital assets not being depreciated:				
Land	$ 2,181,880	$ 5,487	$ 16,936	$ 2,170,431
Construction in progress	*2,743,749	522,710	1,686,974	1,579,485
Total capital assets not being depreciated	*4,925,629	528,197	1,703,910	3,749,916
Other capital assets historical cost:				
Buildings and improvements	*2,374,590	43,277	14,038	2,403,829
Machinery and equipment	*784,699	37,039	32,867	788,871
Infrastructure	*23,688,372	1,672,409	239,215	25,121,566
Intangible assets	*104,425	--	--	104,425
Total other capital assets historical cost	*26,952,086	1,752,725	286,120	28,418,691
Less accumulated depreciation and amortization:				
Buildings and improvements	*789,707	57,681	8,691	838,697
Machinery and equipment	*659,478	52,822	32,701	679,599
Infrastructure	*15,374,164	616,985	239,215	15,751,934
Intangible assets	*36,998	10,384	--	47,382
Total accumulated depreciation & amortization	*16,860,347	737,872	280,607	17,317,612
Other capital assets, net of depreciation & amortization	*10,091,739	1,014,853	5,513	11,101,079
Governmental activities capital assets, net	$ *15,017,368	$ 1,543,050	$ 1,709,423	$ 14,850,995
Business-type Activities:				
Capital assets not being depreciated:				
Land	$ *34,803	$ 2,298	$ --	$ 37,101
Construction in progress	44,850	40,337	45,746	39,441
Total capital assets not being depreciated	*79,653	42,635	45,746	76,542
Other capital assets historical cost:				
Buildings and improvements	496,292	43,819	--	540,111
Machinery and equipment	*142,401	15,227	5,651	151,977
Infrastructure	368,130	6,453	--	374,583
Intangible assets	18,170	790	--	18,960
Total other capital assets historical cost	*1,024,993	66,289	5,651	1,085,631
Less accumulated depreciation and amortization:				
Buildings and improvements	*167,528	14,851	--	182,379
Machinery and equipment	*108,026	10,293	4,263	114,056
Infrastructure	27,548	9,775	--	37,323
Intangible assets	3,405	1,929	--	5,334
Total accumulated depreciation & amortization	*306,507	36,848	4,263	339,092
Other capital assets, net of depreciation & amortization	*718,486	29,441	1,388	746,539
Business-type activities capital assets, net	$ *798,139	$ 72,076	$ 47,134	$ 823,081

* Restated beginning balances

Depreciation and amortization expense was charged to functions as follows:

Governmental activities:		
General government	$	60,968
Culture, recreation, and tourism		5,257
Transportation and development		626,920
Public safety		13,681
Health and welfare		5,443
Corrections		10,243
Youth Services		886
Conservation		8,679
Education		5,795
Total governmental activities depreciation and amortization expense	$	737,872

B. IMPAIRMENT OF CAPITAL ASSETS

The State recognized $24,898,505 in insurance recoveries from excess insurers related to Hurricane Gustav catastrophe losses. These amounts are reported as "Charges for Services" on the Statement of Activities.

NOTE 6: EMPLOYEE BENEFITS – PENSIONS

The State of Louisiana is a participating employer in several defined benefit pension plans. These plans are administered by four public employee retirement systems: the Louisiana State Employees' Retirement System, the Louisiana State Police Retirement System, the Teachers' Retirement System of Louisiana, and the Louisiana School Employees' Retirement System. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each retirement system issues a public report that includes financial statements and required supplementary information. Copies of these reports may be requested by contacting the retirement systems at the addresses listed in Note 1.

Plan Descriptions

Louisiana State Employees' Retirement System The Louisiana State Employees' Retirement System (LASERS) administers a single employer defined benefit pension plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. Although there are 368 contributing employers in this system, LASERS is considered a single employer defined benefit plan because the material portion of its activity is with one employer – the State of Louisiana. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification. The substantial majority of members may retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The computation of retirement benefits are provided for in LRS 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of creditable service.

Eligibility requirements and benefit computations for disability benefits are provided for in LRS 11:461. All members with ten or more years of creditable service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

Provisions for survivor's benefits are provided for in LRS 11:471-478. Under these statutes, the deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student. The minimum service requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

Louisiana State Police Retirement System The Louisiana State Police Retirement System (LSPRS) administers a single employer defined benefit plan to provide retirement,

disability, and survivor benefits to commissioned law enforcement officers of the Office of State Police and the Superintendent of State Police and their beneficiaries as defined in LRS 11:1305. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1307. Members are eligible to receive retirement benefits 1) at the age of 50 and having 10 years of creditable service or 2) at any age and having 25 years of creditable service. Retirement benefits are determined by multiplying the year of creditable service by 3⅓% to compute a retirement percentage factor (not to exceed 100%), which is then multiplied by the member's average salary.

Provisions for disability benefits are provided for in LRS 11:1313. Disabled members receive benefits equal to 50% of average salary, plus 1½% of average salary for each year of service in excess of 10 years. Members are automatically eligible to receive disability benefits if the disability was sustained in the line of duty. Members who become disabled for any other reason must also have 5 years of creditable service to become eligible for disability benefits.

Survivor benefits are provided for in LRS 11:1315-1323.1. If the death was caused by an injury sustained in the line of duty, surviving spouses or minor children receive 75% of the current salary of the member. If the death results from any other reason, survivor benefits paid to surviving spouses or minor children are calculated based on average salary multiplied by a percentage that increases based on the number of years of service. If there is no surviving spouse or minor children, dependent parents receive 25% of the current salary of the member regardless of the cause of death.

Teachers' Retirement System of Louisiana The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:761. Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of creditable service, 2) at the age of 55 with at least 25 years of creditable service, or 3) at any age with at least 30 years of creditable service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Final average salary is based upon the member's highest successive 36 months (highest successive 60 months for members employed after January 1, 2011).

Under LRS 11:778, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and have five or more years creditable service, or if employed on or after January 1, 2011 and attained at least 10 years of creditable service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of his average compensation multiplied by his years of creditable service, but not more than 50% of his average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equal to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in LRS 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service credit regardless of when earned. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if he had retired on the date of his death using a factor of 2½% regardless of years of service or age, or $600 per month, whichever is greater.

Louisiana School Employees' Retirement System The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3⅓% of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of $2 per month for each year of service. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2½% of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of $2 per month for each year of service.

LRS 11:1147 provides that members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member

is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2½% of his average compensation multiplied by his years of creditable service, but not less than 33⅓% of his average compensation for members employed prior to July 1, 2006 and 3% of his average compensation multiplied by his years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age.

Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members salary are available for surviving spouses and minor children of members with at least five years of service.

The number of contributing employers for each defined benefit plan for the year ended at June 30, 2014 consisted of the following:

		Number of Employers
LASERS	State agencies	216
	Other public employers	152
	Total	368
LSPRS		1
TRSL	School Boards	69
	Colleges and Universities	27
	State agencies	58
	Charter schools	34
	Other	18
	Total	206
LSERS	School Boards	64
	Other agencies	40
	Total	104

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee.

Employee and employer contributions effective for the year ended June 30, 2014 were as follows:

Defined Benefit Pension Plan	Active Member Contribution Percentage	Employer Contribution Percentage
LASERS	7.5% - 13.0%	30.7 – 40.7%
LSPRS	8.5% - 9.5%	66.7%
TRSL	5.0% - 9.1%	26.5% - 32.6%
LSERS	7.5% - 8.0%	32.3%

The following table details information on the funded status of the State's single employer defined benefit plans as of the most recent valuation (amounts expressed in thousands):

	LASERS	LSPRS
Actuarial valuation date	6/30/2014	6/30/2014
Actuarial value of plan assets	$10,606,475	$549,075
Actuarial accrued liability	$17,877,745	$837,941
Unfunded actuarial accrued liability (UAAL)	$7,271,270	$288,865
Funded ratio (actuarial value of plan assets/AAL)	59.3%	65.5%
Covered payroll	$1,813,759	$54,332
UAAL as a percentage of covered payroll	400.9%	531.7%

Actual contributions as a percentage of required contributions to cost-sharing plans for the years ending June 30, 2014, 2013, and 2012 were as follows:

Fiscal Year Ending	Required Contributions	Percentage Contributed
LSERS		
6/30/12	$ 92,137,088	89.7%
6/30/13	$ 91,531,548	99.9%
6/30/14	$ 97,189,040	93.9%
TRSL		
6/30/12	$ 1,120,095,898	100.0%
6/30/13	$ 1,149,134,132	99.0%
6/30/14	$ 1,218,397,771	99.0%

The State's annual pension cost, percentage of annual pension cost contributed, and the net pension obligation for its sole employer plans for the years ending June 30, 2014, 2013, and 2012 are as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
LASERS			
6/30/12	$698,486,059	94.9%	$158,077,949
6/30/13	$730,519,840	92.3%	$214,106,330
6/30/14	$682,559,633	93.3%	$259,931,093
LSPRS			
6/30/12	$42,932,245	89.9%	$2,313,481
6/30/13	$43,439,116	101.8%	$1,545,157
6/30/14	$41,692,992	107.5%	$1,593,225

The State's annual pension cost and net pension obligation for its sole employer defined benefit plans for the current year are as follows:

	LASERS	LSPRS
Annual required contribution	$ 737,645,184	$ 42,792,972
Interest on net pension obligation	17,128,505	108,161
Adjustment to annual required contribution	(72,214,058)	(1,208,141)
Annual pension cost	**682,559,631**	**41,692,992**
Contributions made	(636,734,870)	(44,831,374)
Increase (decrease) in net pension obligation	45,824,761	(3,138,382)
Net pension obligation/(asset) beginning of year	214,106,330	1,545,157
Net pension obligation/(asset) end of year	$ **259,931,091**	$ **(1,593,225)**

The schedule of funding progress for the State's single employer plans are included as required supplementary information immediately following the notes to the financial statements. This schedule presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The following table provides information concerning actuarial methods and assumptions for the State's sole employer defined benefit plans as of the June 30, 2014 actuarial valuation date.

	LASERS	LSPRS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar	Level Dollar
Remaining Amortization Period (Open or Closed Period)	Up to 30 years Closed	30 years Closed
Asset Valuation Method	Smoothing of gains and losses relative to the assumed rate of return over a five year period	Smoothing of gains and losses relative to the assumed rate of return over a five year period
Actuarial Assumptions:		
Investment Rate of Return*	7.75%	7%
Projected Salary Increases	3.0 – 14.5%	4 – 16.5%
Cost of Living Adjustment	None**	None***
* Includes inflation at:	3%	2.75%

** While there is no explicit assumption regarding the provision of cost-of-living adjustments, the rate used to discount accrued benefits is net of the statutory gain sharing provision (50% of investment gains in excess of $100 million) from which a cost-of-living adjustment would be funded. Effective July 1, 2014 a cost of living adjustment of 1.5% was granted.

*** Effective July 1, 2014 a cost of living adjustment of 1.5 – 2.0% was granted.

NOTE 6A: EMPLOYEE BENEFITS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. STATE OF LOUISIANA POST-RETIREMENT BENEFIT PLAN

Plan Description

The Office of Group Benefits (OGB) administers the State of Louisiana Post-Retirement Benefit Plan – a defined-benefit, agent multiple-employer other post-employment benefit plan. The plan provides medical, prescription drug and life insurance benefits to retirees, disabled retirees, and their eligible beneficiaries through premium subsidies. Current employees, who participate in an OGB health plan while active, are eligible for plan benefits if they retire under one of the statewide retirement systems (LASERS, LSPRS, TRSL, or LSERS). Benefit provisions are established under LRS 42:821 for life insurance benefits and LRS 42:851 for health insurance benefits.

A summary of employers and members participating in the plan at June 30, 2014 is as follows:

	Number of Employers
States	1
School systems	43
Non-state agencies	97
State agencies	224
Total	365

	Plan Membership
Retirees and beneficiaries	54,766
Active plan members	76,635
Total	131,401

OGB offered to retirees two self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also had access to three fully insured Medicare Advantage plans, which include two HMO-POS plans and one Zero-Premium HMO plan.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 who

pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

Service	Employer Contribution Percentage	Employee Contribution Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums. Participating retirees paid $0.54 each month for each $1,000 of life insurance and $0.98 each month for each $1,000 of spouse life insurance.

The plan does not issue a stand-alone financial report.

Funding Policy

The plan is funded on a "pay-as-you-go basis" under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. Effective, July 1, 2008, an OPEB trust fund was statutorily established; however, no plan assets had been accumulated as of June 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year for the OGB plan were as follows (dollar amounts in thousands):

	Primary Government	Component Units
Annual required contribution	$ 361,465	$ 145,507
Interest on OPEB obligation	97,735	42,045
Adjustment to annual required contribution	(93,366)	(40,166)
Annual OPEB cost (expense)	365,834	147,386
Contributions made	(183,397)	(71,111)
Increase in net OPEB obligation	182,437	76,275
Net OPEB obligation beginning of year	2,443,380	1,051,140
End of year	$ 2,625,817	$ 1,127,415

The following table provides the State's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Primary Gov't:			
6/30/2012	$348,468	50.19%	* $2,268,439
6/30/2013	$360,005	51.41%	$2,443,380
6/30/2014	$365,834	50.13%	$2,625,817
Component Units:			
6/30/2012	$175,238	44.29%	* $977,405
6/30/2013	$141,645	47.94%	$1,051,140
6/30/2014	$147,386	48.25%	$1,127,415

*Restated

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Primary Government:	
Actuarial accrued liability (AAL)	$5,482,255,900
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	$5,482,255,900
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	$1,560,074,300
UAAL as a percentage of covered payroll	351%

Component Units:	
Actuarial accrued liability (AAL)	$2,098,864,500
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	$2,098,864,500
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	$1,133,702,600
UAAL as a percentage of covered payroll	185%

Actuarial Methods and Assumptions

Actuarial valuations of the State's plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The ARC for the year was determined as part of the July 1, 2013 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected unit credit
Investment return	4% (net of administrative expenses), based on expected long-term investment returns on employer's own investments
Healthcare inflation rate	8% and 6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rate of 4.5%
UAAL amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Projected salary increases	3%

Costs used in the determination of the actuarial accrued liability for the self-insured plans were developed from reported incurred medical and prescription drug claims experience and administrative costs during the period from January 1, 2012 through December 31, 2013 less retiree premiums. Costs for the fully insured plans were developed from the employer share of monthly premiums without adjustment for age.

B. LSU HEALTH PLAN

Plan Description

The Louisiana State University System (LSU System), a discretely presented component unit of the State, offers its eligible employees, retirees, and their beneficiaries the opportunity to participate in one of two OPEB plans affording healthcare and life insurance. One offering is the State of Louisiana Post-Retirement Benefit Plan, which has already been discussed in this note, and the other is the LSU Health Plan (the Plan). The Plan is also offered to members of the State House of Representatives and the State Senate, its officers and staff, and the Legislative Budgetary Control Council which are primary government entities. Therefore, some participants of the Plan are currently employees of the primary government. Since participation in the Plan by primary government employees is limited and not material, the plan is identified as a single-employer defined benefit healthcare plan.

Benefit provisions are established or may be amended under the authority of LRS 42:851.

The percentage of health insurance premiums contributed by the employer is based on the date of participation in an OGB plan (before or after January 1, 2002) and the employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer are based on the following schedule:

Service	Employer Contribution Percentage	Employee Contribution Percentage
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Employer contribution amounts will vary depending on the percentage contributed by the employer and the health plan option (Option 1 or Option 2) selected by the retiree.

The Plan does not issue a stand-alone financial report.

Funding Policy

The plan is financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by retiree contributions.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at the end of the year were as follows (dollar amounts in thousands):

	Primary Government	Component Units
Annual required contribution	$ 3,014	$ 75,237
Interest on OPEB obligation	583	13,396
Adjustment to annual required contribution	(494)	(11,339)
Annual OPEB costs (expense)	3,103	77,294
Contributions made	(767)	(22,581)
Increase in net OPEB obligation	2,336	54,713
Net OPEB obligation beginning of year	13,696	315,315
Net OPEB obligation end of year	$ 16,032	$ 370,028

The following table provides the State's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Primary Government:			
6/30/2012	$2,717	20.24%	$8,588
6/30/2013	$5,817	12.19%	$13,696
6/30/2014	$3,103	24.72%	$16,032
Component Units:			
6/30/2012	$76,116	20.75%	$249,217
6/30/2013	$83,417	20.76%	$315,315
6/30/2014	$77,294	29.21%	$370,028

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

Primary Government:	
Actuarial accrued liability (AAL)	$ 33,846,300
Actuarial value of plan assets	--
Unfunded actuarial accrued liability (UAAL)	$ 33,846,300
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	$ 25,138,800
UAAL as a percentage of covered payroll	135%
Primary government:	
Component Units:	
Actuarial accrued liability (AAL)	$ 1,199,622,500
Actuarial value of plan assets	--
Unfunded actuarial accrued liability (UAAL)	$ 1,199,622,500
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (annual payroll of active employees covered by the plan)	$ 404,512,200
UAAL as a percentage of covered payroll	297%

Actuarial Methods and Assumptions

Actuarial valuations of the LSU Health Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarial determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements presents information that shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The ARC for the year was determined as part of the July 1, 2013 actuarial valuation using the following methods and assumptions:

Actuarial cost method	Projected unit credit
Investment return	4.25% (net of administrative expenses), based on long-term investment returns on employer's own investments
Healthcare inflation rate	8.5%, ultimate rate of 4.5%
UAAL amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Projected salary increases	4%

C. OTHER PLANS

Three discretely presented component units of the State have their own postemployment benefits plan and provided actuarial valuation results to the State. The net OPEB obligations at June 30, 2014 for each of the three plans were Greater New Orleans Expressway Commission $4,776, Louisiana Citizens Property Insurance Corporation $1,597, and Tensas Basin Levee Board $730 (dollar amounts in thousands). These plans are not disclosed in detail in the CAFR but are available in the agencies' separate financial statements. For the addresses of the agencies, see Note 1.

NOTE 6B: EMPLOYEE BENEFITS - TERMINATION BENEFITS

A. Background

Termination benefits are provided by the State for purposes other than salary and wages, such as cash payments for severance benefits or an employee's continued access to healthcare. The termination benefits are provided as settlement for:

1) involuntary terminations initiated by management in accordance with an authorized plan that contains specific criteria for identifying affected employees (for example, a reduction in force plan) or
2) voluntary terminations initiated by employees in response to an early retirement incentive plan offered by the state in exchange for an employee's continued employment.

B. Description of Termination Benefits

In fiscal year 2014 some state agencies adopted lay off avoidance plans to provide a mechanism to manage budget deficits while delaying or avoiding layoffs. These layoff avoidance plans included early retirement incentives, which resulted in the payment of termination benefits. The retirement incentives consisted of up to 50% of the employees' annual salary that would be saved in a fiscal or calendar year calculated on the employees' actual salary for the year without the need for future discounting. Each layoff avoidance plan was approved by the Department of Civil Service in accordance with Civil Service Rules 17.2 and 17.9. The incentives were offered to employees who were eligible for regular retirement in accordance with the employees' applicable state retirement system regulations. Employees who were eligible for early retirement were excluded.

C. Termination Benefits Reported

During the year ended June 30, 2014, there were 142 primary government and 4 discrete component unit terminations that met the termination criteria described above. The governmental fund and government-wide statements both include $3,549,860 of expenditures/expenses and no related liabilities. Component unit statements report $177,532 of expenses and no current year liabilities.

NOTE 7: LEASES

A. LEASE AGREEMENTS

The State of Louisiana has entered into numerous operating and capital lease agreements for equipment, land, and buildings. Most leases contain non-appropriation exculpatory clauses that allow lease cancellation if the Louisiana Legislature does not make an appropriation for its continuation during any future fiscal period. Because legislative appropriation is reasonably assured, all leases contracted by the state are included in the schedules below.

B. OPERATING LEASES

Operating lease payments are recorded as expenditures or expenses of the applicable fund when the related liability is incurred. These expenses for the primary government totaled (expressed in thousands) $68,455 for the fiscal year ended June 30, 2014. Commitments of the primary government under operating lease agreements for equipment, land, and buildings provide for future annual rental payments as follows (expressed in thousands):

Fiscal Year	Office Space	Equipment	Land	Other	Total
2015	$ 47,890	$ 2,775	$ 146	$ 6,346	$ 57,157
2016	28,508	949	84	5,351	34,892
2017	23,029	719	72	4,799	28,619
2018	15,930	710	56	4,501	21,197
2019	9,693	688	56	3,856	14,293
2020-2024	16,767	2,430	120	3,998	23,315
2025-2029	12,289	2,482	1	3,698	18,470
Total	$ 154,106	$ 10,753	$ 535	$ 32,549	$ 197,943

C. CAPITAL LEASES AND INSTALLMENT PURCHASE AGREEMENTS

Capital lease obligations are payable from resources of the governmental and proprietary funds. The following is a schedule of future minimum payments remaining under contracts in existence at June 30, 2014 (expressed in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities
2015	$ 899	$ 204
2016	44	283
2017	42	287
2018	--	287
2019	--	282
2020-2024	--	1,414
2025-2029	--	1,403
2030-2034	--	276
2035-2039	--	--
2040-2044	--	--
Subtotal	985	4,436
Less interest and executory costs	12	1,178
Present value of minimum lease Payments	$ 973	$ 3,258

The gross amount of the leased assets at June 30, 2014 (expressed in thousands) for governmental activities is $2,285 for office space and $1,998 for other; business-type activities is $4,395 for office space.

Total capital leases by asset classes include the following (expressed in thousands):

	Governmental Activities	Business-Type Activities
Buildings	$ 255	$ --
Office Space	13	4,436
Equipment	--	--
Land	--	--
Other	717	--
Total Capital Leases	$ 985	$ 4,436

D. LESSOR LEASES

Various property and facilities are leased to outside parties as leases from port authorities, levee districts, universities, and various other entities. The lease revenues (expressed in thousands) were $3,005 for the primary government and $4,009 for business-type activities for the fiscal year ending June 30, 2014.

The value of the property carried on the financial reports for the entities included below (expressed in thousands) is $206 for land, $21,310 for buildings and $1,053 for equipment. Accumulated depreciation on the buildings and equipment totaled $8,580.

OPERATING LEASES

The following is a schedule by years of minimum future rentals on operating leases as of June 30, 2014 (expressed in thousands):

Fiscal Year	Governmental Activities	Business-Type Activities
2015	$ 1,856	$ 2,778
2016	214	2,349
2017	2	2,274
2018	2	2,275
2019	2	1,552
2020-2024	11	2,643
2025-2029	11	350
2030-2034	11	--
2035-2039	--	--
2040-2044	--	--
Total	$ 2,109	$ 14,221

The contingent rental revenue received from the lessor operating leases above as of June 30, 2014 (expressed in thousands) is $453 for office rentals and $7 for land.

NOTE 8: LONG-TERM OBLIGATIONS

A. DEBT AUTHORIZATION AND LIMITATIONS

The Louisiana Constitution of 1974 provides that the State shall have no power, directly or indirectly, through any board, agency, commission, or otherwise, to incur debt or issue bonds except by law enacted by two-thirds of the elected members of each house of the Legislature. LRS 39:1365(25) limits the legislative authorization of general obligation bonds and other general obligations secured by the full faith and credit of the State by prohibiting total authorized bonds from exceeding an amount equal to two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years prior to such authorization. The bond authorization limitation is $24,492,802,000. The total general obligation bonds authorized are $2,817,410,000 at June 30, 2014, or 11.50% of the bond authorization limit.

LRS 39:1402(D) limits issuance by the Louisiana State Bond Commission of general obligation bonds or other general obligations secured by the full faith and credit of the State. The highest annual debt service requirement for the current or any subsequent fiscal years for general obligation debt, including the debt service on any bonds or other obligations that are proposed to be sold by the Louisiana State Bond Commission, may not exceed 10% of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to the issuance being proposed. The general obligation debt issuance limitation is $1,224,640,000. At June 30, 2014, the highest current or future annual general obligation debt service requirement is $332,153,000, which represents 27.12% of the debt issuance limitation.

LRS 39:1367, enacted pursuant to a constitutional amendment, prohibits the issuance of net state tax-supported debt if the amount which is to be expended for servicing such outstanding debt exceeds 6% of the estimate of money to be received by the state general fund and dedicated funds for each respective fiscal year as contained in the official forecast adopted by the Revenue Estimating Conference at its first meeting after the beginning of each fiscal year.

Debt service included in the net state tax-supported debt limitation provided in LRS 39:1367 differs from the debt service expenditures reported in the accompanying financial statements. These differences are as follows:

- The State has entered into various cooperative endeavor agreements with various issuing governments whereby the State requests the Legislature to appropriate funds sufficient to pay the annual debt service requirements of the issuers' bonds. The Legislature is not obligated to appropriate these funds and there is no recourse to the State in the event of non-appropriation. Since the State is not the issuer of the bonds and has the discretion to avoid the expenditure of State resources through non-appropriation, these bonds are not reported as liabilities in the accompanying financial statements. Payments for principal and interest made pursuant to the annual appropriations act for these bonds are reported as grant expenditures rather than debt service expenditures in the accompanying financial statements. Total payments on these bonds during fiscal year 2014 totaled $39,317,000.

- On July 12, 2006, in response to the need to assist local political subdivisions as the result of Hurricanes Katrina and Rita, the State Bond Commission, on behalf of the State of Louisiana, issued General Obligation Gulf Tax Credit Bonds, Series 2006A and General Obligation Match Bonds, Series 2006B in the amounts of $200 million and $194.475 million, respectively, for the purpose of providing loans to assist in the payment of debt service on certain bonds, notes, certificates of indebtedness or other written obligations of local political subdivisions of the State and to pay debt service on general obligation bonds of the State, under a debt payment assistance program authorized by the Gulf Opportunity Zone Act of 2005 and by Act 41 of the 2006 First Extraordinary Session of the Legislature. The bonds have been subsequently refunded several times. The debt service on these bonds are excluded from the net state tax-supported debt calculation. Debt service expenditures during fiscal year 2014 for these bonds were $25,276,158.

- In fiscal year 2001 the State, through the Tobacco Settlement Financing Corporation, issued bonds to access future tobacco settlement revenues received pursuant to the Master Settlement Agreement. While the bonds and related debt service expenditures are included in the accompanying financial statements, the bonds are not considered net state tax-supported debt.

The maximum amount of net State tax-supported debt allowed by statute for fiscal year 2013-2014 was $618,840,000. During the fiscal year 2013-2014, the total net State tax-supported debt paid was $594,468,000 or 5.76% of the estimated General Fund and dedicated funds' revenues established by the Revenue Estimating Conference.

B. AUTHORIZED BUT UNISSUED DEBT

The Omnibus Bond Authorization Act of 2014 provides for the repeal of all acts authorizing the issuance of general obligation bonds, except for any act authorizing issuance of refunding bonds and Act 41 of the 2006 First Extraordinary Session. Act 41 authorized the sale of bonds to provide relief to political subdivisions of the state affected by natural catastrophes. The Omnibus Bond Authorization Act

requires the legislature to annually repeal the issuance of general obligation bond authorizations for projects that are no longer found feasible or desirable, to reauthorize general obligation bonds for projects deemed to be essential, and to authorize new projects. As a result, there were no authorized but unissued general obligation bonds outstanding at June 30, 2014.

C. PURPOSE AND RETIREMENT OF GENERAL OBLIGATION BONDS

General obligation bonds are authorized and issued primarily to provide funds for constructing and improving various facilities including ports, university facilities, public schools, parks, bridges, roads, and charity hospitals. General obligation bonds are backed by the full faith, credit, and taxing power of the State.

In order to facilitate the funding of capital improvements by certain governmental units and political subdivisions of the State, general obligation bonds proceeds may be provided to various entities contingent upon executing a reimbursement contract with the State Bond Commission. The entity repays or reimburses the State at the same interest rate and the same maturity dates as the bond issue. Entities utilize reimbursement contracts to attempt to obtain a better interest rate.

Reimbursement contracts include miscellaneous contracts in the amount of $34,090. Applicable interest to maturity is $3,447. In the accompanying financial statements, reimbursement contracts are shown as accounts receivable and the debt shown is not reduced for these items.

D. LONG-TERM OBLIGATIONS OUTSTANDING AT JUNE 30, 2014

Long-term obligations outstanding at June 30, 2014, principal only, are as follows (expressed in thousands):

Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
GOVERNMENTAL ACTIVITIES:						
General obligation bonds Payable	$ 2,860,660	$ 496,440	$ 220,000	$ 3,137,100	$ 228,870	0.22-5.00%
Other bonds payable by Agency:						
Health Education Authority of Louisiana	6,740	--	210	6,530	225	5.70 - 8.30%
Louisiana Correctional Facilities Corporation	14,970	--	1,860	13,110	1,945	4.00 - 5.00%
Department of Corrections	29,850	--	1,881	27,969	1,608	4.62 - 4.87%
Office Facilities Corporation	184,280	--	19,705	164,575	20,335	2.50 - 5.00%
Public Safety LPFA	44,440	--	5,330	39,110	4,930	5.00%
Tobacco Settlement Financing	738,300	659,745	738,300	659,745	--	5.00 - 5.50%
State Highway Improvement	85,400	198,135	1,950	281,585	6,225	2.00 - 5.00%
Unclaimed Property Special Revenue	--	111,675	--	111,675	--	2.00 - 5.00%
Transportation Infrastructure Model for Economic Development	2,710,755	196,340	199,250	2,707,845	18,875	variable
Total other bonds payable*	3,814,735	1,165,895	968,486	4,012,144	54,143	
Add/Subtract unamortized amounts: Discounts*	(13,899)	--	(13,899)	--	--	
Premiums*	450,167	117,520	44,253	523,434	36,033	
Net Unamortized Amounts*	436,268	117,520	30,354	523,434	36,033	
Total bonded debt*	7,111,663	1,779,855	1,218,840	7,672,678	319,046	
Other liabilities:						
Compensated absences	185,983	83,412	82,046	187,349	17,235	
Capital lease obligations	474	730	231	973	895	
Claims and litigation payable*	1,903,412	1,173,050	1,145,479	1,930,983	291,735	
Notes payable	353	895	219	1,029	261	

Long-Term Obligations	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year	Interest Rates
Net OPEB Obligation	2,307,880	346,763	174,297	2,480,346	--	
Net Pension Obligation	214,106	682,560	636,735	259,931	--	
Pollution remediation liabilities	66,525	14,387	53,106	27,806	13,244	
Other long-term obligations*	164,189	3,605	43,249	124,545	3,865	
Total other liabilities*	4,842,922	2,305,402	2,135,362	5,012,962	327,235	
Total long-term obligations Governmental Activities*	$ 11,954,585	$ 4,085,257	$ 3,354,202	$ 12,685,640	$ 646,281	
***restated**						
BUSINESS-TYPE ACTIVITIES:						
Bonds payable:						
Revenue bonds	$ 574,421	$ 173,530	$ 223,566	$ 524,385	$ 19,130	1.89–5.50%
Unamortized Discounts and Premiums	(21,654)	1,596	(27,515)	7,457	--	
Total Bonds payable	552,767	175,126	196,051	531,842	19,130	
Other liabilities:						
Compensated absences	20,442	6,257	6,290	20,409	2,305	
Capital lease obligations	3,420	--	162	3,258	83	
Notes payable	1,919	--	443	1,476	591	
Contracts payable	119	1	68	52	52	
Net OPEB Obligation	149,196	22,174	9,867	161,503	--	
Other long-term liabilities	3,561	--	484	3,077	3,077	
Total other liabilities	178,657	28,432	17,314	189,775	6,108	
Total long-term obligations Business-Type Activities	$ 731,424	$ 203,558	$ 213,365	$ 721,617	$ 25,238	

E. DEBT SERVICE REQUIREMENTS AT JUNE 30, 2014

Interest requirements for variable-rate debt are calculated using the rate in effect at the financial statement date. Annual principal and interest payments for bonds and notes (expressed in thousands) are as follows:

Governmental Activities

	General Obligation Bonds			Other Bonded Debt				Totals		
Year:	Principal	Interest	Total	Principal	Interest	Net Effect of Derivatives	Total	Total Principal	Total Interest Cost	Total
2015	$ 228,870	$ 131,087	$ 359,957	$ 54,143	$ 177,826	$ 15,501	$ 247,470	$ 283,013	$ 324,414	$ 607,427
2016	223,305	122,348	345,653	77,724	172,634	15,543	265,901	301,029	310,525	611,554
2017	234,325	112,589	346,914	83,692	168,973	15,501	268,166	318,017	297,063	615,080
2018	225,440	103,615	329,055	99,791	165,144	15,501	280,436	325,231	284,260	609,491
2019	223,530	95,129	318,659	106,399	160,388	15,501	282,288	329,929	271,018	600,947
2020-24	978,460	338,244	1,316,704	523,715	726,022	77,588	1,327,325	1,502,175	1,141,854	2,644,029
2025–29	664,030	147,218	811,248	630,655	589,286	77,005	1,296,946	1,294,685	813,509	2,108,194
2030–34	359,140	35,864	395,004	778,319	422,165	74,352	1,274,836	1,137,459	532,381	1,669,840
2035–39	--	--	--	792,705	240,979	68,638	1,102,322	792,705	309,617	1,102,322
2040–44	--	--	--	815,721	71,086	41,044	927,851	815,721	112,130	927,851
2045-49	--	--	--	49,280	2,463	--	51,743	49,280	2,463	51,743
Total	$ 3,137,100	$ 1,086,094	$ 4,223,194	$ 4,012,144	$ 2,896,966	$ 416,174	$ 7,325,284	$ 7,149,244	$ 4,399,234	$ 11,548,478

	Business-Type Activities		
	Revenue Bonds		
Year:	Principal	Interest	Total
2015	$ 19,130	$ 19,623	$ 38,753
2016	22,585	18,031	40,616
2017	25,355	17,371	42,726
2018	26,700	16,618	43,318
2019	20,880	16,010	36,890
2020-24	118,085	70,475	188,560
2025–29	143,325	40,881	184,206
2030–34	46,080	17,886	63,966
2035–39	34,775	11,210	45,985
2040–44	40,450	5,606	46,056
2045-49	27,020	771	27,791
Total	$ 524,385	$ 234,482	$ 758,867

	Governmental Activities			Business-Type Activities		
	Notes Payable			Notes Payable		
Year:	Principal	Interest	Total	Principal	Interest	Total
2015	$ 261	$ 9	$ 270	$ 591	$ 59	$ 650
2016	210	7	217	885	32	917
2017	212	5	217	--	--	--
2018	200	3	203	--	--	--
2019	146	1	147	--	--	--
Total	$ 1,029	$ 25	$ 1,054	$ 1,476	$ 91	$ 1,567

F. DEFEASED BONDS

The following table details the principal balances of previously outstanding bonds considered defeased at June 30, 2014 (expressed in thousands). The defeased bonds are not included in the accompanying financial statements.

Bond Series	Date Defeased	Maturity Date	Amount Defeased	Outstanding at June 30, 2014
Primary Government:				
General Obligation:				
2004-A	1/05	10/14	$ 45,240	$ 45,240
2004-A	10/10	10/14	91,075	91,075
2004-A	6/12	10/14	176,085	176,085
2006-C	6/12	05/16	270,020	270,020
2006-B	6/12	07/16	120,215	120,215
TIMED:				
2005-A	5/12	05/15	511,210	511,210
2006-A	5/12	05/16	76,560	76,560

G. REFUNDING OF BONDS

General Obligation Bonds

On October 30, 2013, the State executed a $205,805,000 term loan agreement, denominated as General Obligation Delayed Draw Term Loan Refunding, Series 2013D to advance refund various maturities of General Obligation Refunding Bonds, Series 2005A. The term loan agreement was accompanied by a forward delivery contract to lock in tax-exempt rates until the delayed draw term loan is drawn on July 31, 2015. The forward delivery contract requires a quarterly commitment fee of 25 basis points, or an estimated $901,826 through July 31, 2015. The transaction will result in an estimated economic gain, net of commitment fees, of $9.8 million. The outstanding General Obligation Refunding Bonds, Series 2005A are reported in the accompanying financial statements and will continue to be reported until the advance refunding occurs on July 31, 2015.

Gasoline and Fuels Tax Revenue Refunding Bonds

On November 1, 2013, the State issued $60,150,000 of Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds, 2013 Series C-1 with coupon interest rates ranging from 4.0 – 5.0% to current refund the outstanding balance of $60,625,000 in Taxable Gasoline and Fuels Tax Second Lien Revenue Bonds (Build America Bonds), 2009 Series A-4. Total refunding proceeds of $60,957,958 included bond proceeds at the par amount of $60,150,000 and a premium of $807,958 were used to refund the outstanding principal and pay an estimated $193,048 in issuance costs. The refunding was required pursuant to a mandatory redemption date of November 1, 2013 on the refunded bonds. There was no economic gain or loss on the transaction.

On May 1, 2014, the State issued $121,250,000 of Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds, 2014 Series A, in a variable rate mode to current refund the outstanding balance of $121,250,000 in Gasoline and Fuels Tax Second Lien Revenue Bonds (Build America Bonds), 2009 Series A-3. Total proceeds of $121,674,219 were used to refund the outstanding principal and to pay an estimated $424,219 in issuance costs. The refunding was required due to the mandatory redemption date of May 1, 2014 but provided the State with an estimated gross savings of $12.8 million (based upon certain assumptions related to the variable interest rates and swaps).

Tobacco Settlement Financing Corporation

On July 10, 2013, the Corporation issued $659,745,000 of Tobacco Settlement Asset-Backed Refunding Bonds, Series 2013A to current refund its Tobacco Settlement Asset-Backed Bonds, Series 2001B.

The proceeds of this issue totaled $659,745,000 plus the original issue premium of $44,326,777 and other available funds of $102,487,230 were used to refund the Series 2001B Bonds of $738,300,000; fund a liquidity reserve of $57,369,112; and pay costs of issuance and underwriters discount of $3,201,206. The refunding resulted in an economic gain of $175,939,062.

Louisiana Transportation Authority

On November 13, 2013, the Authority issued $51,530,000 of Louisiana Transportation Authority Refund Bonds, Series 2013A for the purpose of providing funds, together with other available funds including a portion of TIFIA bonds to current refund the Authority's LA 1 Project Senior Lien Toll Revenue Bonds, Series 2005A and the Authority's LA 1 Project Senior Lien toll Revenue Capital Appreciation Bonds, Series 2005B.

Simultaneously, with the issuance of these bonds, the Authority issued its LA 1 Project TIFIA Bonds, Series 2013B in the amount of $78,000,000 and LA 1 Project TIFIA Bonds, Series 2013C in the amount of $44,000,000, for the purpose of providing funds to current refund the outstanding principal amount of its Series 2005 TIFIA Bonds, and a portion of the Senior Bonds, and paying the cost of issuance of the TIFIA Bonds.

The Authority entered into a cooperative endeavor agreement with the State of Louisiana, subject to appropriation, through the Division of Administration, to make payments to the Authority in an amount sufficient to pay the principal, premium, and interest on the bonds.

The economic gain of the refunding is $47,082,359.

H. CONDUIT DEBT

Revenue bonds were issued by the Louisiana Agricultural Finance Authority (LAFA), a proprietary entity, which constituted conduit debt outstanding at year-end totaling $86,043,393 which is currently in default. The authority and the State have no responsibility for the repayment of this debt, and it is not reflected in the accompanying financial statements.

I. OTHER GENERAL LONG-TERM OBLIGATIONS

The liability for compensated absences is described in detail in Note 1, Section C; the liability for capital leases is described in more detail in Note 7, Section C; the liability for claims and litigation is described in more detail in Note 9, Section B; the liability for OPEB is described in more detail in Note 6A; and the liability for pollution remediation is described in more detail in Note 9, Section F.

J. PLEDGED REVENUES

Governmental Activities

Motor Vehicle Registration and License Fees

In March 2013, the State issued State Highway Improvement Revenue Bonds Series 2013A maturing in 2033 in the amount of $85,400,000 and in February 2014, the state issued State Highway Improvement Revenue Bonds Series 2014A maturing in 2034 in the amount of $198,135,000. The state has pledged motor vehicle registration and license fees for the purpose of providing funds to finance the costs of construction of certain roads which are part of the state highway system but not part of the federal highway system. As of June 30, 2014, the outstanding maturities extend to 2034. The bonds are secured by and payable from annual motor vehicles registration and license fees or taxes for the registration and licensing of all vehicles and motor vehicles which are collected by the Department of Public Safety. Total motor vehicle registration and license fees available in fiscal year 2014 were $52,644,936. The principal and interest paid for the current year was $1,950,000 and $4,931,545. The total principal and interest remaining on the bonds is $281,585,000 and $171,450,195, respectively.

Contract Parking Agreement – Tulane University

Health Education Authority of Louisiana (HEAL) is a body corporate created to operate a multi-institutional facility that included public and private institutions dedicated to health related services (the Medical Complex). HEAL issued taxable revenue bonds of $9,350,000 in December 1998 to finance the acquisition, construction and installation of an additional 516 parking spaces to an existing multilevel parking garage and build a skywalk to another facility. The garage was for Tulane Medical Center employees and students, visitors to the Medical Complex and the public. The bonds are payable solely from the income and revenues derived by the Authority from the parking garage, including payments received from Tulane University pursuant to a contract parking agreement and lease agreement through 2031. The Authority has agreed to pay the principal and interest requirements as they become due and payable until the bonds are fully paid in 2031. The principal and interest paid for the current year was $210,000 and $435,150. The total principal and interest remaining on the bonds is $6,530,000 and $4,437,125, respectively.

Office of Motor Vehicle Handling Fees

In October 2007 the Louisiana Public Facilities Authority (LPFA) issued $62,895,000 of revenue refunding bonds on behalf of the Department of Public Safety and Corrections to advance refund the 1999 and 2001 outstanding revenue bonds. The refunded bonds were issued to acquire, construct, and equip a new Department of Public Safety Services complex and a new Joint Emergency Services Training Center complex. The refunding bonds are secured by an irrevocable pledge and dedication of the handling fees collected by the Office of Motor Vehicles through August 2021. The Department collected $14,930,815 during fiscal year ended June 30, 2014. The principal and interest paid for the current year was $4,705,000 and $2,073,125, respectively. The total principal and interest remaining on the bonds is $39,110,000 and $7,216,250.

Fire Insurance Premium Taxes and Fire Extinguisher Fees

LPFA issued revenue bonds of $5,255,000 in 2002 for the Department of Public Safety and Corrections, an agency of the State, to provide funds to relocate, plan, acquire, construct, and equip the Department of Public Safety Fire Marshal's Headquarters. The Department agrees to make all bond-related payments due subject to annual appropriation by the Legislature from the Louisiana Fire Marshal Fund. In addition, the appropriated funds may be utilized first to satisfy payroll obligations prior to making the debt service payments. Failure by the Legislature to appropriate sufficient funds to satisfy the obligation of the Department under the funding agreement will not constitute an event of default, and the funding agreement will continue in full force and effect as if the appropriation had been made. The bonds are payable through 2014. Louisiana Fire Marshal Fund revenues are comprised of an annual tax levied on the gross annual premium receipts from any business that insures property in Louisiana against loss or damage by fire and any monies collected from the imposition of fees on sprinkler systems. In fiscal year ended June 30, 2014, the legislature appropriated $13,993,009 to the Department from the Fire Marshal Fund. The final principal and interest payment for the current year was $625,000 and $36,719, respectively.

Tobacco Settlement Revenues

The Tobacco Settlement Financing Corporation, a blended component unit, issued $1,202,770,000 of tobacco settlement asset-backed bonds in fiscal year 2001. These bonds have since been refunded most recently in fiscal year 2014. The revenue bonds were issued to provide up-front cash for a portion of the State's allocation of tobacco settlement revenues (TSRs) to be received in perpetuity from participating cigarette manufacturers (PMs) pursuant to the Master Settlement Agreement (MSA). Security for the bonds consist of 60% of TSRs required to be paid to the State. The Corporation received pledged revenues of $64,984,759 for fiscal year 2014. The interest paid for the current year was $36,415,891, with no principal payment due. The bonds, payable through 2035, have total principal and interest outstanding of $659,745,000 and $441,544,854, respectively.

Gasoline and Motor Fuels Taxes and Special Fuels Taxes

The State has pledged gasoline and fuel taxes to service debt on outstanding gas and fuels tax revenue bonds. As of June 30, 2014, the outstanding maturities extend to 2045. Bond proceeds are to be used for financing the construction

of highway and bridge projects. Revenues available in fiscal year 2014 for funding debt service due were $588,860,031. Principal and interest paid for the current year were $17,375,000 and $128,254,000, respectively. The total principal and interest remaining on the bonds is $2,707,845,000 and $2,576,058,957, respectively.

Unclaimed Property Special Revenue Bonds

In December 2013 the State issued $111,675,000 in Unclaimed Property Special Revenue Bonds, Series 2013, consisting of $90,595,000 for the I-49 North Project and $21,080,000 for the I-49 South Project. The purpose of this bond is to match federal funds to be used by the Department of Transportation and Development for the costs of and associated with the construction of Interstate 49. Security for the bonds, which are payable through fiscal year 2034, consist of annual unclaimed property revenues that escheat to the General Fund. Unclaimed property revenues for the year were $49,169,397. The interest paid in the current year was $1,012,136. The total principal and interest remaining on the bonds is $111,675,000 and $65,435,884, respectively.

Business-Type Activities

Syrup Mill and Slot Machine Revenues

Louisiana Agricultural Finance Authority issued revenue bonds in 2004 in the amount of $45,000,000 to acquire, construct and equip a syrup mill and other facilities related to the use of sugar cane in Lacassine, Louisiana. The bonds are secured by the pledge of net revenues from the operation of the mill and the avails of net slot machine proceeds as described in LRS 27:392(B)(4). The statute provides $12 million annually to the Authority to fund or secure revenue bonds for agricultural, agronomic, horticultural, etc. and other economic development programs. The Authority is obligated to cover the principal and interest requirements each year until the bonds are fully paid and discharged in 2015. Principal and interest paid for the current year was $7,385,000 and $199,914, respectively. The total principal and interest remaining on the bonds is $1,625,000 and $35,133, respectively.

Lease Agreement

Louisiana Agricultural Finance Authority issued revenue bonds of $37,000,000 in 2007 to (i) renovate an office building, (ii) purchase new trucks, bulldozers, and other equipment for firefighting and other agricultural purposes, (iii) acquire, construct, and equip buildings and related facilities, and (iv) acquire emergency generators for the Department of Agriculture and Forestry. In December 2012, the authority issued refunding bonds Series 2012 (maturing in 2022) in the amount of $6,705,000 for the purpose of refunding a portion of 2007. The bonds are secured solely from income and revenues, and receipts derived or to be derived from payments made or collections obtained in a lease agreement and are payable through 2027. The lease requires the Department to pay from legally available funds, subject to annual appropriation by the Louisiana Legislature, all the amounts necessary to pay the annual debt service and administrative expenses. The principal and interest paid for the current year was $400,000 and $1,727,377, respectively. The total principal and interest remaining on the bonds is $37,305,000 and $4,221,728, respectively.

Highway 1 Tolls

Louisiana Transportation Authority, a public corporation within the Department of Transportation and Development (DOTD), issued several series of toll revenue bonds in 2005 to finance a highway project in the lower portion of Lafourche Parish. The project creates elevated highways that run parallel to Highway 1, with a bridge over Bayou Lafourche. The 2005 series bonds were currently refunded in November 2013. The 2013A series, $51,530,000, are secured by a pledge of toll revenues on the southbound lane of the new highway from Leesville to Port Fourchon and are payable through fiscal year 2044. The Authority has committed the toll revenues to cover the principal and interest requirements until the bonds are fully paid and discharged. Toll revenues collected in fiscal year 2014 were $5,816,524. With the current refunding, no principal and interest payments were due in the current fiscal year on the 2013A bonds. The total principal and interest remaining on these bonds are $51,530,000 and $49,500,916, respectively.

In August 2009, the Authority received the loan proceeds of $66,000,000 from the United States Department of Transportation through the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program. The proceeds of this loan were used to make the first principal payment on the 2005 toll revenue bonds noted above. Simultaneously, along with the refunding of the bonds above, the Authority issued $122,000,000 of TIFIA LA1 Project bonds to assist in refunding the $66,000,000 TIFIA bonds along with a portion of the 2005 Senior bonds and payment the cost of issuance of the TIFIA bonds. These bonds are payable through fiscal year 2047. The total principal and interest remaining on these bonds are $122,000,000 and $58,407,717, respectively. Interest paid on the refunded issues were $14,043,457.

NOTE 9: CONTINGENCIES AND COMMITMENTS

The State is exposed to various risks of losses related to torts and other litigation, damage and loss of property, business interruption and injuries to employees. The State is also exposed to risks related to the provision of health and life insurance to its employees. Exposure to these risks are largely self-funded due to the prohibitive costs of obtaining commercial insurance.

The State maintains a comprehensive risk management program through the Office of Risk Management (ORM) to manage exposure to various risks including property loss and damage, general liability, automobile liability, medical malpractice, workers' compensation, and business interruption. The State retains the risk of loss on all lines of business provided through ORM with the exception of property insurance. On property claims, the State retains risk of loss on the first $10 - $50 million and losses in excess of $250 – $350 million depending on the peril (fire, wind, flood, etc.).

The State, through the Office of Group Benefits (OGB), also retains the risk of loss from several self-insured plans to provide health and life insurance benefits to plan participants. Although these insurance plans provide for a pooling of risk among several governmental entities, they are not considered a public entity risk pool because the State is the primary participant.

Losses from risks not covered by ORM or OGB are fully self-insured. These risks include losses from various litigated claims including tort claims involving road defects and hazards.

Changes in the balances of disallowances, litigation, and non-discounted claims liabilities during the past two years are as follows (expressed in thousands):

	Restated Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Recoveries from Settled and Unsettled Claims	Balance at Fiscal Year End
2013-2014	$1,903,412	$1,173,050	($1,139,131)	($6,348)	$1,930,983
2012-2013	$1,931,244	$1,022,029	($1,035,079)	($7,173)	$1,911,021

A. RISK MANAGEMENT AND SELF INSURANCE

ORM pays claims via the Self-Insurance Fund which is reported in the General Fund. The Self-Insurance Fund consists of all premiums paid by State agencies under the State's risk management program, the investment earnings thereon, and commissions retained. The Self-Insurance Fund may only be used for the payment of losses incurred by state agencies under the self-insurance program together with insurance premiums, legal expenses, and administrative costs.

For fiscal year 2014, the Self-Insurance Fund paid $147,067,309 to satisfy claims and judgments. At June 30, 2014, outstanding non-discounted reserve valuations of the open claims within the programs totaled $985,131,111. At June 30, 2014, ORM cash balances included $33,535,052 in the Self-Insurance Fund. ORM advises that the non-discounted liability reserve valuation for the claims in litigation against state agencies being handled by that office is valued at $206,407,701 at June 30, 2014.

The Office of Risk Management purchases annuities to settle portions of certain claims. Third-party trustees then make payments to the claimants. At June 30, 2014, there were 22 active annuities which do not contain the wording releasing the State from any future liability on the claims. The outstanding amount due on these annuities as of June 30, 2014 was $46,759,759.

OGB pays all claim settlements and judgments through its Self-Insurance Fund which is reported in the General Fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. For fiscal year 2014, OGB paid $944,932,734 in claims and the liability balance at the end of the fiscal year was $100,157,667.

B. LITIGATION

The estimated probable future liability including incremental costs resulting from litigation, contract claims, and judgments against the State that are not being handled by ORM, not including contract claims reported by the Department of Transportation and Development (DOTD), is approximately $318,904,336 (accrued in the accompanying financial statements). In addition, as of June 30, 2014, there are claims against the State, not including contract claims reported by DOTD, totaling $7,924,500 for which it is reasonably possible that the State will incur liability. Nonincremental claims adjustment expenses have not been included as part of the liability for claims and judgments.

From the beginning of fiscal year 2002-2003 to the present, the State's Self-Insurance Fund has not been available as a source of funds to settle tort claims involving road defect allegations nor to pay final judgments in such matters. As a result, settlements and judgments in such road hazard tort claims have been and will continue to be funded and paid only through individual legislative appropriation. Since fiscal year 2002 the sum appropriated for such matters totaled approximately $216,734,882. Of that amount, $6,576,288 was appropriated in fiscal year 2013-2014.

Teacher positions in Orleans Parish were eliminated after Hurricane Katrina due to a reduction in school enrollment

and budget cuts. A class action lawsuit, *Eddy Oliver, et. al. v. Orleans Parish School Board, et. al.* was filed by the teachers in Orleans Parish. The teachers claim that they were wrongfully terminated and that the state wrongfully interfered with their employment contract with the Orleans Parish School Board (OPSB). On June 20, 2012, a judgment was rendered in favor of seven named plaintiffs in the amount of $1,362,632 by the Orleans Parish Civil District Court. The judgment held the State and the OPSB liable, jointly and in solido. The judgment also included a finding of liability in favor of the entire class, approximately 7,500 members, but did not award damages for the remaining class members. The matter was appealed to the Fourth Circuit Court of Appeals which affirmed in part and reversed in part on January 15, 2014. Upon appeal, the Louisiana Supreme Court dismissed the suit. The plaintiffs plan to ask the U.S. Supreme Court to hear the case.

As of June 30, 2014, the Department of Transportation and Development (DOTD) advises that there are 721 expropriation cases pending with a total estimated exposure of $72,099,452. As payment of its estimate of just compensation upon filing of these suits, DOTD deposited $38,559,740 into the registry of the court. A reasonable possibility exists that DOTD will incur expropriation-related costs of $15,969,948 in excess of the just compensation on deposit with the courts. As of June 30, 2014, there were 41 outstanding inverse condemnation suits with an estimated demand of $11,498,920. DOTD has determined that it is reasonably possible that the actual settlements will total approximately $7,238,799. Expropriation suits filed by levee boards and other expropriating entities, other than DOTD, have not been included in the above liability of pending expropriation suits because the State does not appropriate amounts for other expropriating entities. Estimated exposure amounts for contract and miscellaneous suits may require additional appropriations from the State. DOTD's estimate of the exposure of this amount is $3,000,000.

As of June 30, 2014, the State is not aware of any pending suits concerning the ability of the State to issue bonds or other evidences of indebtedness.

The Department of Revenue (DOR) has advised that the total amount of pending litigation affecting the DOR's right to tax, where there is a probable likelihood that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2014, is $85,710,277 (accrued in the accompanying financial statements). The DOR has also advised that the total dollar amount of pending litigation affecting the DOR's right to tax, where it is reasonably possible that an asset has been impaired or a liability has been incurred as of fiscal year ended June 30, 2014, is $130,294,893.

C. WORKERS COMPENSATION

The Injured Worker Reemployment Program encourages employers to hire physically handicapped employees who have a permanent partial disability, by reimbursing the employer or, if insured, his or her insurance carrier for part of the workers' compensation costs for on-the-job injuries. The estimated total future payments to be made for claims outstanding at June 30, 2014 were $217,846,132, which is included in the accompanying financial statements. Funds to make these payments will come from an annual assessment made against all insurance companies writing workers' compensation insurance in the State and all employers that are self-insured.

D. FEDERAL COSTS

A significant amount of federal grant dollars is received by the State subject to financial and compliance audits mandated by the grantors. Questioned costs resulting from these audits may be disallowed by the Federal grantor and may become a liability of the State. Liabilities from disallowances and settlement agreements with the federal government are estimated to be $158,494,512 (accrued in the accompanying financial statements). In addition, as of June 30, 2014, there are disallowed costs of $29,644,288 for which it is reasonably possible that the State will incur liability.

E. ADMINISTRATIVE RESPONSIBILITY

The State is the recipient of food commodities from the U.S. Department of Agriculture and is responsible for distribution to the entities that will ultimately distribute the food. The value of donated commodities in state storage at June 30, 2014, is $1,100,724. At this time, the State anticipates no material losses because of this federal program.

Through the Medicaid and Medicare programs, the Department of Health and Hospitals (DHH) sent $61,145,593 in vaccines to the state to be used to vaccinate impoverished children. At year end the value of vaccines in inventory was $561,959.

F. UNDERGROUND STORAGE TANKS

The 527 Underground Storage Tanks (UST) sites are remediated under The Resource Conservation and Recovery Act (RCRA) Subtitle I and may be eligible for funding through the State's Motor Fuels Underground Storage Tank Trust Fund or the U.S. EPA's Leaking Underground Storage Tank (LUST) Trust Fund. The Underground Storage Tank Trust Fund is established by statute to collect fees from underground storage tank owners; fund assets are then used to finance remediation and/or removal of leaking storage tanks.

Louisiana spent $11,101,048 assessing and remediating USTs in fiscal year ending June 30, 2014. The ending

liability of $64,739,907 will be funded by the Motor Fuels Underground Storage Tank Trust Fund.

G. POLLUTION REMEDIATION

Louisiana is involved in various types of pollution and contamination remediation activities across the state. These activities include site assessments, site investigations, clean-up activities, and post-remediation monitoring. Remediation costs are usually funded by the Capital Outlay Escrow Fund through the Office of Facility Planning and Control or through the Department of Environmental Quality, which may obtain federal grants and state General Fund appropriations for such projects.

The current value of a remediation obligation liability is based on assumptions or expectations about future events that affect the measurement of the liability under the expected cash flow technique. However, the expectations are subject to change over time due to changes in technology, changes in applicable federal, state, and local laws or regulations, price increases or decreases, or changes in the remediation plan. In addition, the state seeks insurance recovery or the identification of potentially responsible parties to recover remediation costs. These recoveries may reduce costs of remediation when the recovery becomes recognizable or probable. Under specific circumstances, costs of remediation may be capitalized as part of a capital asset.

On April 20, 2010, the British Petroleum Exploration Inc. (BP) experienced a fire and explosion on their leased Oil Rig in the Gulf of Mexico which was being operated by Transocean Ltd. at the time of the incident. This explosion resulted in an unprecedented spill of oil into the Gulf of Mexico along the Louisiana coast. The State responded to protect its environment by adopting a series of measures that included assessment of the damage, environmental impact, immediate clean up and remediation of the polluted environment, estimation of long term impact on its people and the environment, the cost of the cleanup, and determination of the expected recovery from BP. The State's remediation activities have included use of various technologies as well as building of coastal sand berms for removal of the oil spill. At June 30 2014, the state spent $57,759,422 on remediation activities and received reimbursements for those expenditures. The liability for future remediation of the pollution and the expected recovery cannot be reasonably estimated at this time.

Although the full impact of the spill cannot be reasonably estimated, BP has taken responsibility for the cleanup of the spill, and the restoration of the State's environment.

From May 10, 2010, until September 29, 2014, Louisiana has spent $31,762,863 for Natural Resources Damage Assessment (NRDA) projects and received reimbursement of $25,116,367. During that same time period, the State spent $48,062,404 on Pollution Remediation Funding Authorization (PRFA) projects and received $34,513,130 in reimbursements. The State anticipates that it will ultimately be reimbursed for the unreimbursed amounts.

Expenditures for projects not related to the Deepwater Horizon event totaled $6,185,818 for fiscal year 2013-14 and recovery of $8,937 was received from responsible parties. At June 30, 2014, the State had a pollution remediation obligation of $27,806,714 which includes the ending liability for the BP oil spill discussed above.

H. COOPERATIVE ENDEAVORS

LRS 33:9022 defines "cooperative endeavor" as any form of economic development assistance between and among the State, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The State has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the State. The estimated amounts outstanding for governmental units as of June 30, 2014, which are not reflected on the accompanying financial reports, are as follows:

General funds	$	1,158,123,122
Self-generated funds		243,056,623
Statutorily dedicated funds		365,231,201
General obligation bonds		554,244,509
Federal funds		1,225,075,503
Interagency transfers		2,949,208
Other funds		281,259,391
Total	$	3,829,939,557

I. ENCUMBRANCES

The State of Louisiana utilizes encumbrance accounting to identify fund obligations. The following encumbrances are included within the restricted, committed and assigned fund balances of the governmental funds for the fiscal year ended June 30, 2014 (in thousands):

		Amount
General Fund	$	135,294
Nonmajor Governmental Funds		--
Total encumbrances	$	135,294

NOTE 10: FUND BALANCE/NET POSITION DISCLOSURES

A. CLASSIFICATION OF FUND BALANCES

Classifications of fund balances comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following table enumerates the fund balance classifications by specific purpose (expressed in thousands).

	General Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Funds	Total Governmental Funds
Fund Balances					
Nonspendable:					
Inventory	$ 71,306	$ -	$ -	$ -	$ 71,306
Prepaid Items	40,191	-	-	-	40,191
Permanent Fund principal	-	-	1,186,669	1,391,261	2,577,930
Restricted for:					
Administration and Regulatory Oversight	44,495	-	-	-	44,495
Budget Stabilization	444,505	-	-	-	444,505
Capital Projects	324,898	9,478	-	432,207	766,583
Culture, Recreation, and Tourism Programs	470	-	-	2,365	2,835
Debt Service	11,896	-	-	159,114	171,010
Transportation and Development Programs	15,642	-	-	-	15,642
Public Safety Programs	893	-	-	-	893
Health and Welfare Programs	87,859	-	-	34,400	122,259
Youth Programs	1,144	-	-	-	1,144
Conservation and Environment Programs:					
Coastal Protection and Restoration	204,135	-	-	-	204,135
Oilfield Site Restoration	15,619	-	-	-	15,619
Wildlife & Fisheries Conservation	136,842	-	-	4,660	141,502
Other Conservation and Environment Programs	3,022	-	-	-	3,022
Education Programs:					
Minimum Foundation Program	109,662	-	-	-	109,662
Other Education Programs	78,480	-	110,248	67,551	256,279
Committed for:					
General Government:					
Administration and Regulatory Oversight	20,385	-	-	-	20,385
Judicial Branch	2,960	-	-	-	2,960
Legislative Branch	1	-	-	-	1
Grants to Local Governments	33,793	-	-	-	33,793
Group Benefits	249,423	-	-	-	249,423
Risk Management	22,232	-	-	-	22,232
Economic Development Programs	67,161	-	-	-	67,161
Agriculture and Forestry Programs:					
Forestry Productivity	5,533	-	-	-	5,533
Grain and Cotton Indemnity Program	2,737	-	-	-	2,737
Other Agriculture and Forestry Programs	4,291	-	-	-	4,291
Capital Projects	181,513	403,455	-	-	584,968
Interoperability Communications	610	-	-	-	610
Labor and Workforce Programs:					
Workers' Compensation Administration	8,165	-	-	-	8,165
Workers' Compensation Second Injury Program	43,124	-	-	-	43,124
Incumbent Worker Training Program	-	-	-	23,435	23,435
Employment Security Administration	-	-	-	5,534	5,534
Other Labor and Workforce Programs	-	-	-	9,388	9,388
Telecommunication Tax Credits	28,262	-	-	-	28,262
Culture, Recreation, and Tourism Programs:					
State Park Improvements	2,632	-	-	-	2,632
Other Culture, Recreation, and Tourism Programs	1,546	-	-	2,282	3,828

	General Fund	Capital Outlay Escrow Fund	Louisiana Education Quality Trust Fund	Nonmajor Funds	Total Governmental Funds
Transportation and Development	17,917	-	-	-	17,917
Public Safety Programs:					
Motor Carrier Safety and Administration	3,412	-	-	-	3,412
Crime Victims' Reparation	1,718	-	-	-	1,718
Other Public Safety Programs	12,093	-	-	-	12,093
Health and Welfare Programs:					
State Medicaid Matching	288,932	-	-	-	288,932
Fraud Detection Programs	11,270	-	-	-	11,270
Telecommunications for the Deaf	1,787	-	-	-	1,787
Disability Affairs	197	-	-	-	197
Drug Abuse Education & Treatment	259	-	-	-	259
Other Health and Welfare Programs	11,120	-	-	-	11,120
Elections and Voter Awareness	191	-	-	-	191
Employer Pension Contributions	467	-	-	-	467
Conservation and Environment Programs:					
Administrative	1,805	-	-	-	1,805
Artificial Reef Development	20,922	-	-	-	20,922
Coastal Protection and Restoration	2,800	-	-	-	2,800
Environmental Quality Programs	15,395	-	-	-	15,395
Hazardous Waste Site Cleanup	4,920	-	-	-	4,920
Motor Fuels Underground Storage Tank Program	75,631	-	-	-	75,631
Wildlife & Fisheries Conservation	118,444	-	-	-	118,444
Natural Resource Restoration	12,602	-	-	-	12,602
Community Water Enrichment	1	-	-	-	1
Other Conservation and Environment Programs	3,381	-	-	-	3,381
Education Programs:					
Earnings Enhancements on College Savings	15,846	-	-	-	15,846
Public Educator Salary Increases	10,638	-	-	-	10,638
Other Education Programs	14,787	-	-	-	14,787
Assigned for:					
General Government					
Administration and Regulatory Oversight	49,408	-	-	-	49,408
Judicial Branch	51,326	-	-	-	51,326
Legislative Branch	71,453	-	-	-	71,453
Capital Projects	2,913	-	-	-	2,913
Culture, Recreation, and Tourism Programs	430	-	-	-	430
Transportation and Development Programs	98	-	-	-	98
Public Safety Programs	1,278	-	-	-	1,278
Health and Welfare Programs	3,442	-	-	-	3,442
Corrections	4,251	-	-	-	4,251
Youth Programs	250	-	-	-	250
Education Programs	5,551	-	-	-	5,551
Unassigned	62,574	-	-	-	62,574
Total Fund Balance	$ 3,164,936	$ 412,933	$ 1,296,917	$ 2,132,197	$ 7,006,983

B. FUND BALANCE/NET POSITION RESTATEMENT – FUND FINANCIAL STATEMENTS

The following table discloses restatements of certain fund balances/net position by fund type (expressed in thousands):

	Beginning Balance	Prior Period Adjustments	Beginning Balance, as Restated
General Fund	$ 3,213,752	$ (54,376)	$ 3,159,376
Capital Outlay Escrow Fund	303,570	130,192	433,762
Louisiana Education Quality Assistance Trust Fund	1,186,954	33	1,186,987
Unemployment Trust Fund	879,055	--	879,055
Louisiana Community & Technical Colleges System	139,942	(6,482)	133,460
Nonmajor Funds	3,446,864	16,624	3,463,488

The beginning fund balance of the General Fund decreased by $54,376 due mainly to error corrections relating to accounting for interfund activity with the Capital Outlay Escrow Fund and liability accruals for the Office of Group Benefits. The restatement in fund balance also included an increase of $10,040 due to the reclassification of the Future Medical Care Fund from an agency fund to the General Fund. The beginning fund balance of the Capital Outlay Escrow Fund increased by $130,192 due mainly to error corrections relating to accounting for interfund activity with the General Fund.

The beginning net position of the Louisiana Community and Technical Colleges System decreased by $6,482 mainly due to land that was removed from capital assets and transferred to the State and other prior period adjustments relating to the TOPS program, payroll, cash, and tuition adjustments.

The fund balance/net position of the non-major governmental and enterprise funds increased by $16,624 primarily due to prior year error correction in the interfund accruals in the Transportation Trust Fund; the cumulative effects of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*; and other prior period adjustments for the Louisiana Transportation Authority and the Louisiana Agricultural Finance Authority.

C. NET POSITION RESTATEMENT – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table discloses restatements of net position for governmental and business-type activities in the government-wide financial statements (expressed in thousands):

	Governmental Activities	Business Type Activities	Total Primary Government
Net Position at June 30, 2013	$ 11,259,350	$ 2,297,224	$ 13,556,574
Prior Period Adjustments	149,095	(3,673)	145,422
Beginning Net Position, as restated	$ 11,408,445	$ 2,293,551	$ 13,701,996

Beginning net position for governmental activities increased by $149,095 in fiscal year 2014, while the beginning net position for the business type activities decreased by $3,673 for various reasons. In addition to restatements related to governmental funds noted in Section B above, the largest changes in beginning net position for governmental activities are the derecognition of amounts recorded as bonds payable in prior periods and the cumulative effects of the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

D. BUDGET STABILIZATION

(expressed in thousands)

Louisiana voters first approved a constitutional amendment in 1990 to formally set aside funds for use when the State's Revenue Estimating Conference (REC) forecasts revenue shortfalls for the subsequent fiscal year or projects a budgetary deficit in the current fiscal year. The funds set aside are deposited into the Budget Stabilization Fund, as authorized by Louisiana Constitution Article VII, Section 10.3 and LRS 39.94. The fund's activity is accounted for within the General Fund and has a restricted fund balance of $444,505 at June 30, 2014, in the accompanying financial statements.

Budget Stabilization is funded by the following sources in accordance with the Constitution: (1) all money

available for appropriation from the State general fund and dedicated funds in excess of the expenditure limit; (2) all mineral revenues in excess of $850 million received by the State in each fiscal year; (3) 25% of any money designated in the official forecast as nonrecurring; (4) legislative appropriations to the fund, including any appropriation to the fund from money designated in the official forecast; and (5) the fund's investment earnings realized in each fiscal year. No appropriation or deposit to the fund can be made if the appropriation or deposit would cause the fund cash balance to exceed 4% of total state revenue receipts for the previous fiscal year.

Budget stabilization resources are only available for expenditure under the following circumstances and with the consent of two-thirds of the elected members of each house of the legislature: (1) when the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference (not to exceed one-third of the fund) can be incorporated into the next year's official forecast or (2) when a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to one-third of the fund (not to exceed the projected deficit) may be appropriated (expended). However, the Constitution states that the amount of budget stabilization funds included in the official forecast for the next fiscal year plus the amount appropriated in the current fiscal year cannot exceed one-third of the stabilization fund balance at the beginning of the current fiscal year.

NOTE 11: OTHER DISCLOSURES

A. RELATED PARTY TRANSACTIONS

The State Board of Elementary and Secondary Education (SBESE) serves as the governing board for the Department of Education. The State Superintendent of Education is appointed by the SBESE and is responsible for the daily administration of the department and submits educational policy and funding issues and awards to the SBESE for implementation authority.

The SBESE consists of eleven members representing eight geographic regions of the State (SBESE districts). Eight members are elected by citizens in the representative SBESE districts and three members at large are appointed by the governor. Elected and appointed members serve a term of four years concurrent with the term of the governor.

The Department of Education presents funding awards and/or allocations to the Finance Committee of the SBESE for recommendation to the full board. A majority of the board constitutes department authority to award funds to sub-recipients.

The elected SBESE member for the third SBESE district is currently the Superintendent of the St. Martin Parish School Board and a sub-recipient of funds authorized by SBESE. For the fiscal year ended June 30, 2014, St. Martin Parish School Board received amounts totaling $56,717,327 in funding authorized by SBESE and released by the Department of Education.

The elected SBESE member for the second SBESE district is currently the Executive Director of Teach for America for Greater New Orleans Delta and a sub-recipient of funds authorized by SBESE. For the fiscal year ended June 30, 2014, Teach for America for Greater New Orleans Delta received amounts totaling $1,650,000 in funding authorized by SBESE and released by the Department of Education.

The Motor Fuels Underground Storage Tank Trust Advisory Board advises the Secretary of the Department of Environmental Quality regarding the Tank Trust Fund transactions. Two board members have ownership in a company that received Trust Fund disbursements of $3,373,928.

The Louisiana Agricultural Finance Authority, an enterprise fund, administers the Louisiana Farm and Agribusiness Recovery Loan and Grant Program. Under the program, the Authority has made loans and grants totaling $1,275,154 to 33 individuals currently employed by the Department of Agriculture and Forestry (LDAF) or serve in a capacity within LDAF, who (for reporting purposes) are considered related parties. These individuals, whose loans are allowable under LRS 42:1113(D)(1)(c)(iii) and under the cooperative endeavor agreement between the Authority and the Division of Administration's Office of Community Development, qualified for the loans based on pre-established criteria applied to all loan applicants. The balance of these loans at June 30, 2014, is $197,805.

One of the recipients of the loans is Strain Cattle, which is a company owned by the LDAF Commissioner's family members. Strain Cattle participated in the Louisiana Farm and Agribusiness Recovery Loan and Grant Program with an award of $36,535.

B. ADOPTION OF NEW ACCOUNTING STANDARDS

For the year ended June 30, 2014, the State of Louisiana implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities;* GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62, amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues; G*ASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25;* and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.*

NOTE 12: SUBSEQUENT EVENTS

DEFICIT REDUCTION

On November 14, 2014 the State's Revenue Estimating Conference announced a decrease to forecasted General Fund revenues for fiscal year 2015 by $171 million from $8,682,600,000 to $8,511,600,000. The decrease was due largely to falling energy prices. As a result, the State announced a plan to eliminate the projected deficit. The plan consisted of reductions to existing General Fund appropriations. Many of the reductions were within the Governor's statutory authority, while approximately $17.4 million required approval of the Joint Legislative Committee on the Budget (JLCB). On December 18, 2014, the JLCB approved all elements of the deficit avoidance plan.

DEBT ISSUANCES

On December 4, 2014 the State issued General Obligation Bonds Series 2014 D-1 and D-2 totaling $199,990,000. The bonds were issued to fund projects appropriated in the current and prior years' Capital Outlay Acts. The bonds bear an interest rates ranging from 3.00% - 5.00% and have maturities through 2034.

On November 25, 2014 the State issued $217,885,000 in General Obligation Refunding Series 2014C bonds. The bonds were issued for the purpose of advance refunding outstanding General Obligation Bonds Series 2006C, 2009A, and 2011A. The bonds bear an interest rate of 5% and have maturities extending through 2027.

On August 20, 2014, the State issued $239,910,000 of Gasoline and Fuels Tax Revenue Refunding Bonds, 2014 Series B. The bond was issued to advance refund the Gasoline and Fuels Series 2005A in the amount of $495,000, and the Gasoline and Fuels Tax Series 2006A in the amount of $248,815,000. The bonds are secured by gas and fuels tax revenues. The bonds have various maturities extending through 2039 with interest payments (ranging from 4.00% - 5.00%) due semiannually on May 1st and November 1st of each year. The net present value of savings is $15,669,793.

On December 18, 2014 the Louisiana Local Government Environmental Facilities and Community Development Authority issued $128,330,000 in bonds on behalf of the LCTCS Facilities Corporation. Total bond proceeds of 146,642,051 will be used to fund construction projects at various community and technical college campuses, establish a capitalized interest and administrative fund, and pay the cost of issuance. The bonds are secured by lease payments from the Louisiana Community and Technical College System. In addition, the bonds are also accompanied by a cooperative endeavor agreement between the Division of Administration and LCTCS, whereby the Commissioner of Administration promises to request in the Executive Budget an appropriation of funds to LCTCS equal to the debt service requirements on the bonds. In the event that these funds are not included in the annual Appropriations Act, there is no recourse to the State; however, the State is expected to make these appropriations.

CONSTITUTIONAL AMENDMENTS

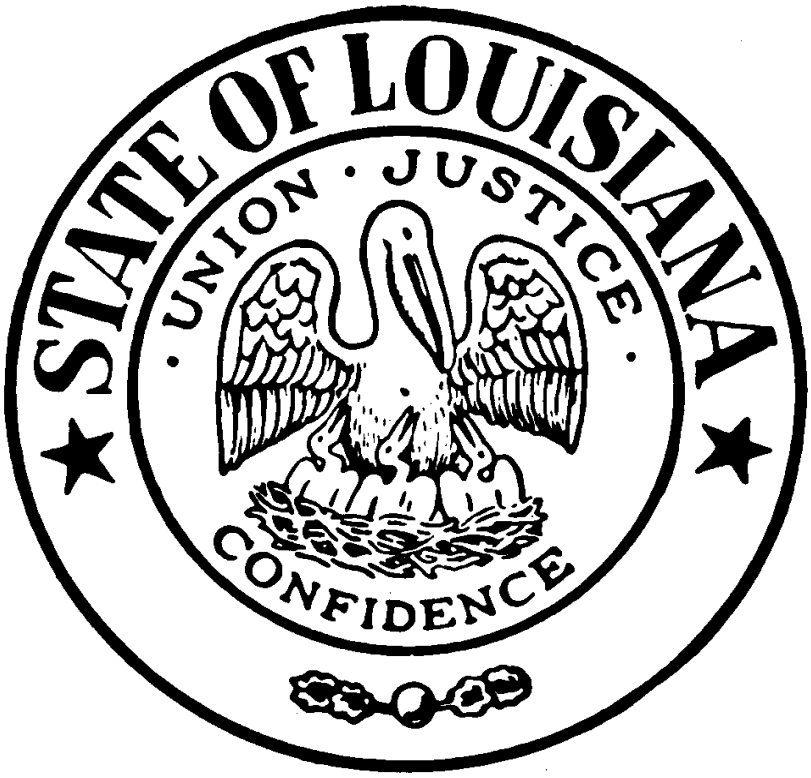
On November 4, 2014, the voters of State of Louisiana voted on 14 proposed constitutional amendments. Six of the amendments passed, three of which established funds in the Louisiana Constitution.

Amendment one passed, which gives constitutional protection to provisions in the Louisiana Medical Assistance Trust fund and sets a baseline compensation rate paid by the government to nursing homes and other health care services that pay a provider fee.

Amendment two passed, which allows an assessment on hospitals to draw down more federal Medicaid dollars for the institutions and it creates a Hospital Stabilization Fund to stabilize and protect Medicaid reimbursements for health care services.

Amendment eight passed, which establishes the Artificial Reef Development Fund in the Constitution and prohibits using its money for other than its intended purposes– promoting and managing artificial reef development, assisting the State's wild seafood certification program and helping with inshore fisheries projects.

The constitutional amendment authorizing the State to create an infrastructure bank that would be used on transportation projects was defeated.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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
INTERGOVERNMENTAL	$ 10,303,193	$ 10,447,381	$ 9,032,184	$ (1,415,197)
TOTAL REVENUES	10,303,193	10,447,381	9,032,184	(1,415,197)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	4,407,772	4,821,772	3,492,654	1,329,118
CULTURE, RECREATION, AND TOURISM	96,095	98,010	85,021	12,989
TRANSPORTATION AND DEVELOPMENT	576,942	587,981	558,627	29,354
PUBLIC SAFETY	500,144	507,296	387,093	120,203
HEALTH AND WELFARE	9,815,300	9,884,113	9,304,972	579,141
CORRECTIONS	492,414	496,225	476,211	20,014
YOUTH SERVICES	111,341	116,726	116,445	281
CONSERVATION	422,816	431,389	293,359	138,030
EDUCATION	6,095,482	6,185,337	5,886,216	299,121
INTERGOVERNMENTAL	690,424	747,236	703,647	43,589
TOTAL EXPENDITURES	23,208,730	23,876,085	21,304,245	2,571,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,905,537)	(13,428,704)	(12,272,061)	1,156,643
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	12,785,923	12,802,386	12,738,083	(64,303)
TRANSFERS OUT	--	--	(654,895)	(654,895)
TOTAL OTHER FINANCING SOURCES	12,785,923	12,802,386	12,083,188	(719,198)
NET CHANGE IN BUDGETARY FUND BALANCE	(119,614)	(626,318)	(188,873)	437,445
BUDGETARY FUND BALANCE - BEGINNING	119,614	626,318	626,318	--
BUDGETARY FUND BALANCE - ENDING	$ --	$ --	$ 437,445	$ 437,445

The notes to required supplementary information are an integral part of this schedule.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2014

The Budgetary Comparison Schedule - Budget to Actual (Non-GAAP Budgetary Basis) of the General Fund presents comparisons of the original and final legally adopted budget with actual activity presented on a budgetary basis. The budget is prepared for each budget unit at the appropriated program level which is the lowest level at which appropriations are adopted.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resulting basis and perspective differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 2014, is presented below (expressed in thousands) for the General Fund.

Fund Balance (Budgetary Basis)	$	437,445
Reconciling Adjustments:		
Basis Differences:		
Resources deposited in escrow for bond defeasance were considered expended for budgetary purposes but not for GAAP		209,896
Expenditures for inventoriable items are recognized in the period in which the cash outlay occurs for budgetary purposes. Expenditures for inventoriable items are recognized when the items are consumed for GAAP purposes.		71,306
For budgetary purposes, revenues are recognized when available to finance operations of the current period. In additions to the availability criterion, GAAP requires revenues to be recognized when earned.		1,191,521
Although expenditures are normally recognized when incurred under both the budgetary and GAAP bases of accounting, there are certain items such as payroll and expenditures related to non-exchange transactions that are not accrued when incurred on the budgetary basis.		(1,723,394)
Perspective Differences:		
Statutorily dedicated funds are included in the General Fund for GAAP presentation but are considered separate funds for budgetary presentation.		2,540,625
The Office of Group Benefits and the Office of Risk Management are excluded from the General Fund for budgetary presentation but included in the General Fund for GAAP presentation.		311,846
Under the budgetary basis, expenditures for certain entities reported in the General Fund such as the legislative and judicial branches are recognized when monies are warranted rather than when the expenditures are incurred.		125,691
Fund Balance (GAAP)	$	3,164,936

The General Fund Budgetary Comparison Schedule is reported by agency in the *Supplementary Information to the Comprehensive Annual Financial Report* available on request from the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

SINGLE EMPLOYER PENSION PLANS

FOR THE YEAR ENDED JUNE 30, 2014

Information on the funded status of the State's single employer defined benefit plans is detailed below. The Schedule of Funding Progress provides trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Funding Progress

(Expressed in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
LA State Employees Retirement System						
6/30/2012	$9,026,416	$16,157,898	$7,131,482	55.90%	$2,341,703	304.50%
6/30/2013	$9,740,878	$16,182,195	$6,441,317	60.20%	$1,951,988	330.00%
6/30/2014	$10,606,475	$17,877,745	$7,271,270	59.30%	$1,813,759	400.90%
LA State Police Retirement System						
6/30/2012	$415,966	$759,653	$343,687	54.80%	$57,828	594.30%
6/30/2013	$474,235	$797,839	$323,604	59.40%	$51,262	631.30%
6/30/2014	$549,075	$837,941	$288,865	65.50%	$54,332	531.70%

OTHER POSTEMPLOYMENT BENEFITS PLANS

FOR THE YEAR ENDED JUNE 30, 2014

OGB Plan

The State of Louisiana Post-Retirement Benefit Plan is administered by the Office of Group Benefits (OGB) as an agent multiple-employer defined benefit OPEB plan. It provides health and life insurance coverage to eligible members. The following table presents the actuarially determined funding progress for the Plan using the projected unit credit cost method.

Schedule of Funding Progress

(Expressed in Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Primary Government	7/1/2011	$0	$4,862,238	$4,862,238	0.00%	$1,661,530	292.64%
Primary Government	7/1/2012	$0	$5,381,518	$5,381,518	0.00%	$1,663,056	323.59%
Primary Government	7/1/2013	$0	$5,482,256	$5,482,256	0.00%	$1,560,074	351.41%
Component Units	7/1/2011	$0	$2,201,779	$2,201,779	0.00%	$1,407,436	156.44%
Component Units	7/1/2012	$0	$2,021,972	$2,021,972	0.00%	$1,299,655	155.58%
Component Units	7/1/2013	$0	$2,098,865	$2,098,865	0.00%	$1,133,703	185.13%

LSU Health Plan

The Louisiana State University (LSU) System (System), a discretely presented component unit of the State, offers its eligible employees, retirees, and their beneficiaries healthcare coverage through the LSU Health Plan. It is a single-employer defined benefit plan. The following table presents the actuarially determined funding progress for the Plan using the projected unit credit cost method.

Schedule of Funding Progress

(Expressed in Thousands)

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Primary Government	7/1/2011	$0	$22,829	$22,829	0.00%	$24,144	94.55%
Primary Government	7/1/2012	$0	$64,761	$64,761	0.00%	$26,622	243.26%
Primary Government	7/1/2013	$0	$33,846	$33,846	0.00%	$25,139	134.64%
Component Units	7/1/2011	$0	$803,135	$803,135	0.00%	$590,615	135.98%
Component Units	7/1/2012	$0	$1,074,926	$1,074,926	0.00%	$573,371	187.47%
Component Units	7/1/2013	$0	$1,199,623	$1,199,623	0.00%	$404,512	296.56%

BUDGETARY COMPARISON SCHEDULE
MAJOR DEBT SERVICE FUND

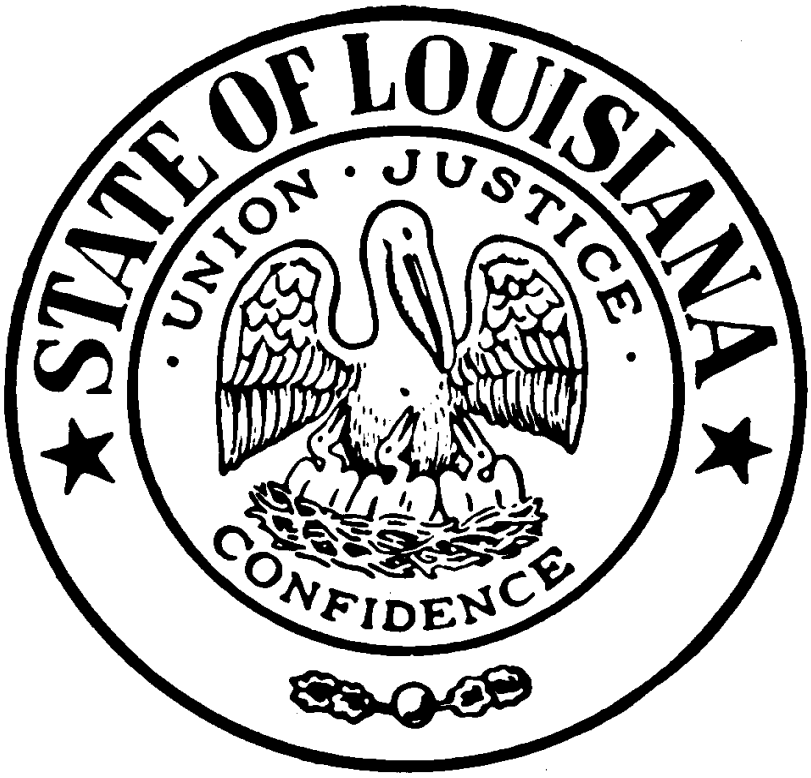
BUDGETARY COMPARISON SCHEDULE - BOND SECURITY AND REDEMPTION FUND

BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
INTERGOVERNMENTAL	$ 37,352	$ 39,650	$ 215,102	$ 175,452
TAXES	8,186,771	8,106,400	8,497,174	390,774
GAMING	828,100	865,600	848,880	(16,720)
TOBACCO SETTLEMENT	91,900	152,900	55,983	(96,917)
USE OF MONEY AND PROPERTY	602,500	631,400	625,230	(6,170)
LICENSES, PERMITS, AND FEES	331,501	383,564	625,261	241,697
SALES OF COMMODITIES	39,491	31,150	107,053	75,903
OTHER	528,266	621,480	608,644	(12,836)
INTERAGENCY TRANSFERS	1,418,362	1,458,822	919,590	(539,232)
TOTAL REVENUES	12,064,243	12,290,966	12,502,917	211,951
EXPENDITURES:				
CURRENT:				
DEBT SERVICE	324,684	341,347	342,384	(1,037)
TOTAL EXPENDITURES	324,684	341,347	342,384	(1,037)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,739,559	11,949,619	12,160,533	210,914
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	--	136,914	136,914
TRANSFERS OUT	(11,739,559)	(11,949,619)	(12,322,345)	(372,726)
INSURANCE RECOVERY	--	--	24,898	24,898
TOTAL OTHER FINANCING SOURCES AND (USES)	(11,739,559)	(11,949,619)	(12,160,533)	(210,914)
NET CHANGES IN FUND BALANCES	$ --	$ --	$ --	$ --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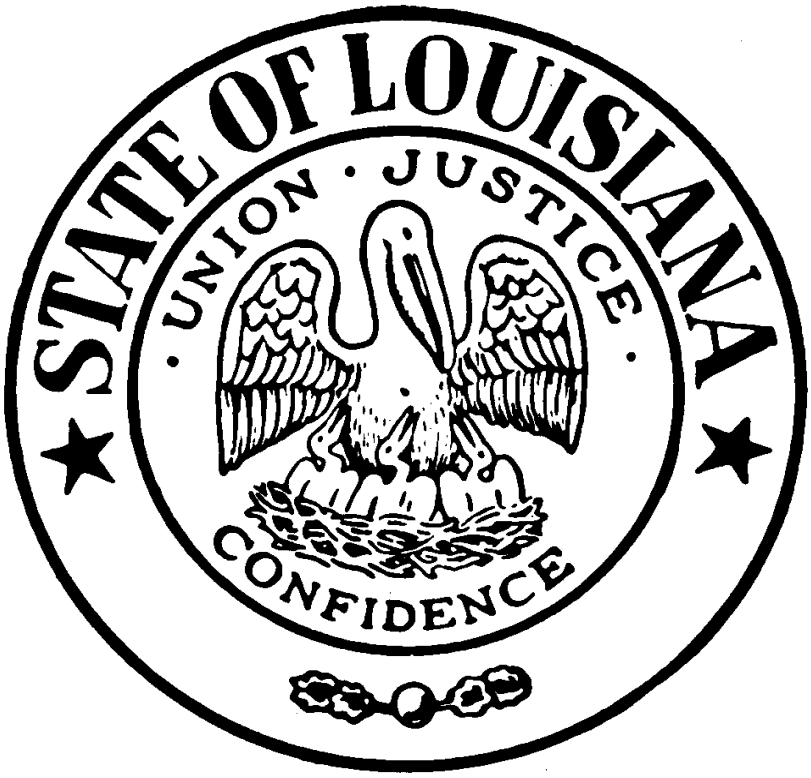
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULE – NONMAJOR FUNDS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COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)	SPECIAL REVENUE FUNDS			
	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	FEDERAL ENERGY SETTLEMENT FUND	INCUMBENT WORKER TRAINING ACCOUNT	LABOR PENALTY AND INTEREST ACCOUNT
ASSETS				
CASH AND CASH EQUIVALENTS	$ 5,888	$ 19,577	$ 21,607	$ 4,353
INVESTMENTS	--	--	--	--
RECEIVABLES (NET)	8	3	3,449	5,536
DUE FROM OTHER FUNDS	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
TOTAL ASSETS	$ 5,896	$ 19,580	$ 25,056	$ 9,889
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	$ --	$ --	$ --	$ --
DUE TO OTHER FUNDS	362	14,920	1,621	501
OTHER LIABILITIES	--	--	--	--
TOTAL LIABILITIES	362	14,920	1,621	501
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	--	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	--	--
FUND BALANCES:				
NONSPENDABLE	--	--	--	--
RESTRICTED	--	4,660	--	--
COMMITTED	5,534	--	23,435	9,388
TOTAL FUND BALANCES	5,534	4,660	23,435	9,388
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 5,896	$ 19,580	$ 25,056	$ 9,889

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)	EMPLOYMENT SECURITY ADMINISTRATIVE ACCOUNT	FEDERAL ENERGY SETTLEMENT FUND	INCUMBENT WORKER TRAINING ACCOUNT	LABOR PENALTY AND INTEREST ACCOUNT
REVENUES:				
INTERGOVERNMENTAL REVENUES	$ --	$ --	$ --	$ --
TAXES	1,213	--	20,935	5,365
TOBACCO SETTLEMENT	--	--	--	--
USE OF MONEY AND PROPERTY	17	13	23	36
LICENSES, PERMITS, AND FEES	--	--	--	121
OTHER	--	8	--	--
TOTAL REVENUES	1,230	21	20,958	5,522
EXPENDITURES:				
CURRENT:				
CULTURE, RECREATION, AND TOURISM	--	--	--	--
PUBLIC SAFETY	--	--	--	--
EDUCATION	--	--	--	--
OTHER	--	--	--	--
INTERGOVERNMENTAL	--	--	--	--
DEBT SERVICE:				
PRINCIPAL RETIREMENT	--	--	--	--
INTEREST	--	--	--	--
OTHER	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,230	21	20,958	5,522
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	--	--	2,700
TRANSFERS OUT	(7,762)	(5,425)	(23,765)	(7,981)
BONDS ISSUED	--	--	--	--
PREMIUMS ON BONDS ISSUED	--	--	--	--
REFUNDING BONDS ISSUED	--	--	--	--
PREMIUMS ON REFUNDING BONDS ISSUED	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	(7,762)	(5,425)	(23,765)	(5,281)
NET CHANGE IN FUND BALANCES	(6,532)	(5,404)	(2,807)	241
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	12,066	10,064	26,242	9,147
FUND BALANCES AT END OF YEAR	$ 5,534	$ 4,660	$ 23,435	$ 9,388

(Continued)

SPECIAL REVENUE FUNDS

LOUISIANA TOURISM PROMOTION DISTRICT	MARSH ISLAND OPERATING FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	STATE HIGHWAY FUND #2	TIDELANDS FUND	TRANSPORTATION TRUST FUND	TOTAL SPECIAL REVENUE FUNDS JUNE 30, 2014
$ 1,746	$ 1,720	$ --	$ 11,376	$ --	$ 355,365	$ 421,632
--	--	--	--	--	--	--
1,811	243	--	970	--	--	12,020
	330	--	--	--	89,857	90,187
--	--	--	--	--	73,718	73,718
$ 3,557	$ 2,293	$ --	$ 12,346	$ --	$ 518,940	$ 597,557
$ --	$ --	$ --	$ 6,380	$ --	$ --	$ 6,380
1,275	2,293	--	5,966	--	112,431	139,369
--	--	--	--	--	--	--
1,275	2,293	--	12,346	--	112,431	145,749
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	406,509	411,169
2,282	--	--	--	--	--	40,639
2,282	--	--	--	--	406,509	451,808
$ 3,557	$ 2,293	$ --	$ 12,346	$ --	$ 518,940	$ 597,557

LOUISIANA TOURISM PROMOTION DISTRICT	MARSH ISLAND OPERATING FUND	RETIREMENT SYSTEMS INSURANCE PROCEEDS FUND	STATE HIGHWAY FUND #2	TIDELANDS FUND	TRANSPORTATION TRUST FUND	TOTAL SPECIAL REVENUE FUNDS JUNE 30, 2014
$ --	$ --	$ --	$ --	$ --	$ 715,548	$ 715,548
22,410	--	--	--	--	--	49,923
--	--	--	--	--	--	--
1	2,061	--	--	--	--	2,151
--	--	57,607	11,879	--	--	69,607
1	81	--	--	--	--	90
22,412	2,142	57,607	11,879	--	715,548	837,319
--	--	--	--	--	--	--
--	--	1,500	--	--	--	1,500
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	56,107	5,940	--	--	62,047
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	57,607	5,940	--	--	63,547
22,412	2,142	--	5,939	--	715,548	773,772
--	330	--	--	--	583,356	586,386
(23,109)	(2,472)	--	(5,939)	(5)	(1,298,031)	(1,374,489)
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
(23,109)	(2,142)	--	(5,939)	(5)	(714,675)	(788,103)
(697)	--	--	--	(5)	873	(14,331)
2,979	--	--	--	5	405,636	466,139
$ 2,282	$ --	$ --	$ --	$ --	$ 406,509	$ 451,808

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)	DEBT SERVICE FUNDS			PERMANENT FUNDS
	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS JUNE 30, 2014	EDUCATION EXCELLENCE FUND
ASSETS				
CASH AND CASH EQUIVALENTS	$ 1,050	$ 49,310	$ 50,360	$ 42,388
INVESTMENTS	74,635	63,465	138,100	454,317
RECEIVABLES (NET)	3	374	377	--
DUE FROM OTHER FUNDS	--	102	102	1,282
DUE FROM FEDERAL GOVERNMENT	--	--	--	--
TOTAL ASSETS	$ 75,688	$ 113,251	$ 188,939	$ 497,987
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	$ 34	$ 102	$ 136	$ 220
DUE TO OTHER FUNDS	--	3,617	3,617	73
OTHER LIABILITIES	--	--	--	--
TOTAL LIABILITIES	34	3,719	3,753	293
DEFERRED INFLOWS OF RESOURCES:				
UNAVAILABLE REVENUE	--	374	374	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	374	374	--
FUND BALANCES:				
NONSPENDABLE	--	--	--	462,988
RESTRICTED	75,654	109,158	184,812	34,706
COMMITTED	--	--	--	--
TOTAL FUND BALANCES	75,654	109,158	184,812	497,694
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 75,688	$ 113,251	$ 188,939	$ 497,987

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)	TOBACCO SETTLEMENT FINANCING CORPORATION	TRANSPORTATION INFRASTRUCTURE MODEL FOR ECONOMIC DEVELOPMENT	TOTAL DEBT SERVICE FUNDS JUNE 30, 2014	EDUCATION EXCELLENCE FUND
REVENUES:				
INTERGOVERNMENTAL REVENUES	$ --	$ 1,461	$ 1,461	$ --
TAXES	--	117,766	117,766	--
TOBACCO SETTLEMENT	84,313	--	84,313	--
USE OF MONEY AND PROPERTY	695	10	705	--
LICENSES, PERMITS, AND FEES	--	--	--	--
OTHER	--	155	155	--
TOTAL REVENUES	85,008	119,392	204,400	--
EXPENDITURES:				
CURRENT:				
CULTURE, RECREATION, AND TOURISM	--	--	--	--
PUBLIC SAFETY	--	--	--	--
EDUCATION	--	--	--	220
OTHER	55	--	55	--
INTERGOVERNMENTAL	--	--	--	--
DEBT SERVICE:				
PRINCIPAL RETIREMENT	738,300	199,250	937,550	--
INTEREST	36,416	128,254	164,670	--
OTHER	3,201	15,970	19,171	--
TOTAL EXPENDITURES	777,972	343,474	1,121,446	220
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(692,964)	(224,082)	(917,046)	(220)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN	--	17,637	17,637	35,880
TRANSFERS OUT	(59,702)	(21,620)	(81,322)	(14,220)
BONDS ISSUED	--	14,940	14,940	--
PREMIUMS ON BONDS ISSUED	--	5	5	--
REFUNDING BONDS ISSUED	659,745	181,400	841,145	--
PREMIUMS ON REFUNDING BONDS ISSUED	44,327	808	45,135	--
TOTAL OTHER FINANCING SOURCES (USES)	644,370	193,170	837,540	21,660
NET CHANGE IN FUND BALANCES	(48,594)	(30,912)	(79,506)	21,440
FUND BALANCES AT BEGINNING OF YEAR AS RESTATED	124,248	140,070	264,318	476,254
FUND BALANCES AT END OF YEAR	$ 75,654	$ 109,158	$ 184,812	$ 497,694

(Concluded)

PERMANENT FUNDS

FULLER-EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND	W. R. IRBY BEQUEST FUND	TOPS FUND	TOTAL PERMANENT FUNDS JUNE 30, 2014	TOTAL NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2014
$ 215	$ 42,364	$ 2,307	$ 42,324	$ 129,598	$ 601,590
--	453,661	--	452,589	1,360,567	1,498,667
--	--	32	--	32	12,429
--	3,237	--	1,282	5,801	96,090
--	--	--	--	--	73,718
$ 215	$ 499,262	$ 2,339	$ 496,195	$ 1,495,998	$ 2,282,494
$ 2	$ --	$ 31	$ --	$ 253	$ 6,769
--	20	--	19	112	143,098
--	--	56	--	56	56
2	20	87	19	421	149,923
--	--	--	--	--	374
--	--	--	--	--	374
100	464,842	--	463,331	1,391,261	1,391,261
113	34,400	2,252	32,845	104,316	700,297
--	--	--	--	--	40,639
213	499,242	2,252	496,176	1,495,577	2,132,197
$ 215	$ 499,262	$ 2,339	$ 496,195	$ 1,495,998	$ 2,282,494

FULLER-EDWARDS ARBORETUM TRUST FUND	HEALTH EXCELLENCE FUND	W. R. IRBY BEQUEST FUND	TOPS FUND	TOTAL PERMANENT FUNDS JUNE 30, 2014	TOTAL NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2014
$ --	$ --	$ --	$ --	$ --	$ 717,009
--	--	--	--	--	167,689
--	--	--	--	--	84,313
--	--	1,817	--	1,817	4,673
--	--	--	--	--	69,607
--	--	--	--	--	245
--	--	1,817	--	1,817	1,043,536
2	--	1,422	--	1,424	1,424
--	--	--	--	--	1,500
--	--	--	--	220	220
--	--	--	--	--	55
--	--	--	--	--	62,047
--	--	--	--	--	937,550
--	--	--	--	--	164,670
--	--	--	--	--	19,171
2	--	1,422	--	1,644	1,186,637
(2)	--	395	--	173	(143,101)
--	48,173	--	137,571	221,624	825,647
--	(25,818)	--	(138,177)	(178,215)	(1,634,026)
--	--	--	--	--	14,940
--	--	--	--	--	5
--	--	--	--	--	841,145
--	--	--	--	--	45,135
--	22,355	--	(606)	43,409	92,846
(2)	22,355	395	(606)	43,582	(50,255)
215	476,887	1,857	496,782	1,451,995	2,182,452
$ 213	$ 499,242	$ 2,252	$ 496,176	$ 1,495,577	$ 2,132,197

State of Louisiana

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT			FEDERAL ENERGY SETTLEMENT FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL *	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	$ --	$ --	$ --	$ --	$ --	$ --
TAXES	4,000	1,213	(2,787)	--	--	--
USE OF MONEY AND PROPERTY	--	17	17	16,201	13	(16,188)
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	--	--	--	8	8
TOTAL REVENUES	4,000	1,230	(2,770)	16,201	21	(16,180)
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,000	1,230	(2,770)	16,201	21	(16,180)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	(4,000)	(7,762)	(3,762)	(16,201)	(5,425)	10,776
TOTAL OTHER FINANCING SOURCES (USES)	(4,000)	(7,762)	(3,762)	(16,201)	(5,425)	10,776
NET CHANGES IN FUND BALANCES	$ --	$ (6,532)	$ (6,532)	$ --	$ (5,404)	$ (5,404)

	INCUMBENT WORKER TRAINING ACCOUNT			LABOR PENALTY AND INTEREST ACCOUNT		
	BUDGET	ACTUAL *	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	$ --	$ --	$ --	$ --	$ --	$ --
TAXES	26,591	20,935	(5,656)	2,768	5,365	2,597
USE OF MONEY AND PROPERTY	--	23	23	--	36	36
LICENSES, PERMITS, AND FEES	--	--	--	--	121	121
OTHER	--	--	--	--	--	--
TOTAL REVENUES	26,591	20,958	(5,633)	2,768	5,522	2,754
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,591	20,958	(5,633)	2,768	5,522	2,754
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	2,700	2,700
TRANSFERS OUT	(26,591)	(23,765)	2,826	(2,768)	(7,981)	(5,213)
TOTAL OTHER FINANCING SOURCES (USES)	(26,591)	(23,765)	2,826	(2,768)	(5,281)	(2,513)
NET CHANGES IN FUND BALANCES	$ --	$ (2,807)	$ (2,807)	$ --	$ 241	$ 241

* "Actual" on the budgetary basis includes only realized gains/losses on investments.
Both realized and unrealized gains/losses are recognized as revenue in governmental funds.
** Reclassification between revenues or expenditures and Other Financing Sources (Uses)
is required for the budgetary basis.

(Continued)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	LOUISIANA TOURISM PROMOTION DISTRICT			MARSH ISLAND OPERATING FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL **	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	$ --	$ --	$ --	$ --	$ --	$ --
TAXES	22,300	22,410	110	--	--	--
USE OF MONEY AND PROPERTY	--	1	1	391	2,061	1,670
LICENSES, PERMITS, AND FEES	--	--	--	--	--	--
OTHER	--	1	1	--	81	81
TOTAL REVENUES	22,300	22,412	112	391	2,142	1,751
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	--	--
OTHER	--	--	--	--	--	--
TOTAL EXPENDITURES	--	--	--	--	--	--
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	22,300	22,412	112	391	2,142	1,751
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--		--	--	330	330
TRANSFERS OUT	(22,300)	(23,109)	(809)	(391)	(2,472)	(2,081)
TOTAL OTHER FINANCING SOURCES (USES)	(22,300)	(23,109)	(809)	(391)	(2,142)	(1,751)
NET CHANGES IN FUND BALANCES	$ --	$ (697)	$ (697)	$ --	$ --	$ --

	RETIREMENT SYSTEM INSURANCE PROCEEDS FUND			STATE HIGHWAY FUND #2		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	$ --	$ --	$ --	$ --	$ --	$ --
TAXES	--	--	--	--	--	--
USE OF MONEY AND PROPERTY	--	--	--	--	--	--
LICENSES, PERMITS, AND FEES	58,500	57,607	(893)	10,300	11,879	1,579
OTHER	--	--	--	--	--	--
TOTAL REVENUES	58,500	57,607	(893)	10,300	11,879	1,579
EXPENDITURES:						
INTERGOVERNMENTAL	--	56,107	(56,107)	--	5,940	(5,940)
OTHER	--	1,500	(1,500)	--	--	--
TOTAL EXPENDITURES	--	57,607	(57,607)	--	5,940	(5,940)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	58,500	--	(58,500)	10,300	5,939	(4,361)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	--	--	--	--	--	--
TRANSFERS OUT	(58,500)	--	58,500	(10,300)	(5,939)	4,361
TOTAL OTHER FINANCING SOURCES (USES)	(58,500)	--	58,500	(10,300)	(5,939)	4,361
NET CHANGES IN FUND BALANCES	$ --	$ --	$ --	$ --	$ --	$ --

State of Louisiana

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS)

NONMAJOR SPECIAL REVENUE FUNDS

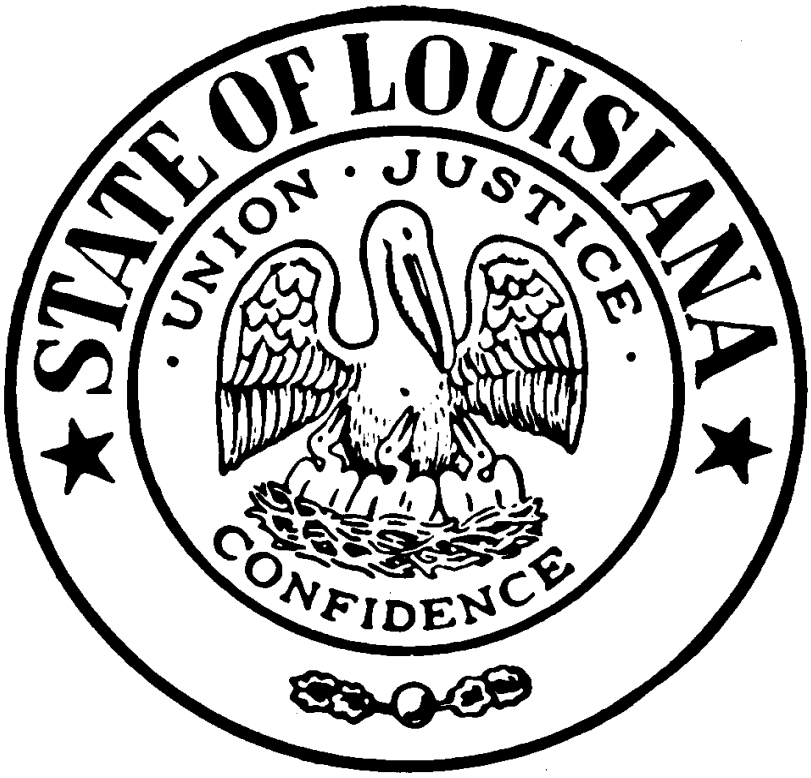
FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	TRANSPORTATION TRUST FUND			TOTAL BUDGETED SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL *	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
INTERGOVERNMENTAL	$ 722,422	$ 715,548	$ (6,874)	$ 722,422	$ 715,548	$ (6,874)
TAXES	--	--	--	55,659	49,923	(5,736)
USE OF MONEY AND PROPERTY	--	--	--	16,592	2,151	(14,441)
LICENSES, PERMITS, AND FEES	--	--	--	68,800	69,607	807
OTHER	--	--	--	--	90	90
TOTAL REVENUES	722,422	715,548	(6,874)	863,473	837,319	(26,154)
EXPENDITURES:						
INTERGOVERNMENTAL	--	--	--	--	62,047	(62,047)
OTHER	--	--	--	--	1,500	(1,500)
TOTAL EXPENDITURES	--	--	--	--	63,547	(63,547)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	722,422	715,548	(6,874)	863,473	773,772	(89,701)
OTHER FINANCING SOURCES (USES):						
TRANSFERS IN	543,300	583,356	40,056	543,300	586,386	43,086
TRANSFERS OUT	(1,265,722)	(1,297,952)	(32,230)	(1,406,773)	(1,374,405)	32,368
TOTAL OTHER FINANCING SOURCES (USES)	(722,422)	(714,596)	7,826	(863,473)	(788,019)	75,454
NET CHANGES IN FUND BALANCES	$ --	$ 952	$ 952	$ --	$ (14,247)	$ (14,247)

* "Actual" on the budgetary basis includes only realized gains/losses on investments.
Both realized and unrealized gains/losses are recognized as revenue in governmental funds.
** Reclassification between revenues or expenditures and Other Financing Sources (Uses)
is required for the budgetary basis.

(Concluded)


STATE OF LOUISIANA
UNION · JUSTICE ·
CONFIDENCE

COMBINING STATEMENT OF NET POSITION

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	CLEAN WATER STATE REVOLVING FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
ASSETS				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	$ 33,679	$ 312,115	$ 77,446	$ 11,341
INVESTMENTS	11,056	--	--	--
RECEIVABLES (NET)	1,257	630	952	206
DUE FROM OTHER FUNDS	--	--	--	1,411
DUE FROM FEDERAL GOVERNMENT	--	89	--	--
INVENTORIES	3	--	--	--
PREPAYMENTS	42	--	--	--
NOTES RECEIVABLE	--	20,814	6,816	4,005
OTHER CURRENT ASSETS	1	--	--	48
TOTAL CURRENT ASSETS	46,038	333,648	85,214	17,011
NONCURRENT ASSETS:				
RESTRICTED ASSETS				
CASH	2,248	--	--	5,053
INVESTMENTS	862	--	--	--
RECEIVABLES	217	--	--	--
INVESTMENTS	296	--	--	--
NOTES RECEIVABLE	--	210,242	129,951	4,204
CAPITAL ASSETS (NOTE 5)				
LAND	2,557	--	--	6,857
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION)	12,667	--	--	32,315
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	498	--	--	1,104
INFRASTRUCTURE (NET OF DEPRECIATION)	--	--	--	--
INTANGIBLE ASSETS (NET OF AMORTIZATION)	69	--	--	--
CONSTRUCTION IN PROGRESS	--	--	--	225
OTHER NONCURRENT ASSETS	12	--	--	439
TOTAL NONCURRENT ASSETS	19,426	210,242	129,951	50,197
TOTAL ASSETS	$ 65,464	$ 543,890	$ 215,165	$ 67,208
LIABILITIES				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE AND ACCRUALS	$ 2,270	$ 31	$ --	$ 719
DUE TO OTHER FUNDS	--	414	--	7,995
UNEARNED REVENUES	5,054	--	--	4
OTHER CURRENT LIABILITIES	254	--	--	3
CURRENT PORTION OF LONG-TERM LIABILITIES:				
CONTRACTS PAYABLE	--	1	--	--
COMPENSATED ABSENCES PAYABLE	262	--	--	--
NOTES PAYABLE	591	--	--	--
BONDS PAYABLE	--	--	--	8,105
TOTAL CURRENT LIABILITIES	8,431	446	--	16,826
NONCURRENT LIABILITIES:				
NONCURRENT PORTION OF LONG-TERM LIABILITIES:				
COMPENSATED ABSENCES PAYABLE	903	--	--	--
NOTES PAYABLE	885	--	--	--
BONDS PAYABLE (NET OF UNAMORTIZED DISCOUNTS)	--	--	--	30,825
NET OPEB OBLIGATION	11,810	--	--	--
TOTAL NONCURRENT LIABILITIES	13,598	--	--	30,825
TOTAL LIABILITIES	22,029	446	--	47,651
DEFERRED INFLOWS OF RESOURCES				
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--
FINES AND PENALTIES RECEIVED IN ADVANCE OF MEETING TIME REQUIREMENTS	204	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	204	--	--	--
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	14,313	--	--	12,024
RESTRICTED FOR DEBT SERVICE	--	--	--	--
RESTRICTED FOR OTHER SPECIFIC PURPOSES	3,552	--	--	911
UNRESTRICTED	25,366	543,444	215,165	6,622
TOTAL NET POSITION	43,231	543,444	215,165	19,557
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 65,464	$ 543,890	$ 215,165	$ 67,208

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
$ 1,987	$ --	$ 787	$ --	$ 1,794	$ 509	$ 439,658
--	--	--	--	--	--	11,056
175	--	57	--	2,498	110	5,885
--	--	--	--	--	--	1,411
--	--	--	--	--	--	89
41	--	--	--	7,675	737	8,456
--	--	--	--	8	--	50
--	14,985	--	--	--	--	46,620
--	--	--	--	--	--	49
2,203	14,985	844	--	11,975	1,356	513,274
--	--	--	252	--	--	7,553
--	--	--	3,479	--	--	4,341
--	--	--	437	--	--	654
--	--	--	--	--	--	296
--	249,843	--	--	--	--	594,240
--	--	695	--	--	1,245	11,354
615	--	2,539	779	577	2,077	51,569
1	--	311	--	5,201	226	7,341
--	--	--	337,260	--	--	337,260
--	--	--	--	--	--	69
--	--	--	--	23	--	248
--	--	--	--	--	--	451
616	249,843	3,545	342,207	5,801	3,548	1,015,376
$ 2,819	$ 264,828	$ 4,389	$ 342,207	$ 17,776	$ 4,904	$ 1,528,650
$ 66	$ --	$ 661	$ 1,979	$ 2,515	$ 579	$ 8,820
--	--	--	--	--	8	8,417
--	--	--	1,027	29	--	6,114
--	--	--	810	--	--	1,067
--	--	--	--	--	--	1
13	--	27	--	42	--	344
--	--	--	--	--	--	591
--	--	--	170	--	--	8,275
79	--	688	3,986	2,586	587	33,629
21	--	102	--	422	--	1,448
--	--	--	--	--	--	885
--	--	--	174,955	--	--	205,780
508	--	1,772	--	5,596	3,321	23,007
529	--	1,874	174,955	6,018	3,321	231,120
608	--	2,562	178,941	8,604	3,908	264,749
--	--	--	7,468	--	--	7,468
--	--	--	--	--	--	204
--	--	--	7,468	--	--	7,672
616	--	3,545	162,913	5,801	3,547	202,759
--	--	--	353	--	--	353
--	--	--	--	--	--	4,463
1,595	264,828	(1,718)	(7,468)	3,371	(2,551)	1,048,654
2,211	264,828	1,827	155,798	9,172	996	1,256,229
$ 2,819	$ 264,828	$ 4,389	$ 342,207	$ 17,776	$ 4,904	$ 1,528,650

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	CLEAN WATER STATE REVOLVING FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
OPERATING REVENUES:				
SALES OF COMMODITIES AND SERVICES	$ 1,091	$ --	$ --	$ --
ASSESSMENTS	5,997	--	--	--
USE OF MONEY AND PROPERTY	--	2,690	4,201	4,021
LICENSES, PERMITS, AND FEES	31,293	1,037	--	--
FEDERAL GRANTS AND CONTRACTS	--	616	4,897	--
OTHER	2,896	--	662	55
TOTAL OPERATING REVENUES	41,277	4,343	9,760	4,076
OPERATING EXPENSES:				
COST OF SALES AND SERVICES	8,603	2,578	4,897	4,010
ADMINISTRATIVE	27,881	--	--	606
DEPRECIATION	663	--	--	2,095
AMORTIZATION	1	--	--	47
TOTAL OPERATING EXPENSES	37,148	2,578	4,897	6,758
OPERATING INCOME (LOSS)	4,129	1,765	4,863	(2,682)
NONOPERATING REVENUES (EXPENSES):				
INTERGOVERNMENTAL REVENUES	--	--	--	208
INTERGOVERNMENTAL EXPENSES	--	--	--	(8)
USE OF MONEY AND PROPERTY	52	--	--	--
GAIN ON DISPOSAL OF CAPITAL ASSETS	14	--	--	766
LOSS ON DISPOSAL OF CAPITAL ASSETS	--	--	--	(2,657)
INTEREST EXPENSE	(32)	--	(5)	--
OTHER REVENUES	2,781	--	--	--
OTHER EXPENSES	(2,606)	(44)	(81)	--
TOTAL NONOPERATING REVENUES (EXPENSES)	209	(44)	(86)	(1,691)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	4,338	1,721	4,777	(4,373)
CAPITAL CONTRIBUTIONS	--	16,604	10,338	--
TRANSFERS IN	--	--	--	9,368
TRANSFERS OUT	--	(2,042)	--	--
CHANGE IN NET POSITION	4,338	16,283	15,115	4,995
TOTAL NET POSITION - BEGINNING AS RESTATED	38,893	527,161	200,050	14,562
TOTAL NET POSITION - ENDING	$ 43,231	$ 543,444	$ 215,165	$ 19,557

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
$ 1,868	$ --	$ 5,679	$ --	$ 28,105	$ 5,236	$ 41,979
--	--	--	--	--	--	5,997
--	--	--	--	--	--	10,912
--	--	--	5,816	--	--	38,146
--	--	--	--	--	--	5,513
--	--	--	--	--	--	3,613
1,868	--	5,679	5,816	28,105	5,236	106,160
554	--	1,828	--	15,081	1,456	39,007
890	--	3,170	2	11,761	3,328	47,638
32	--	224	9,395	505	148	13,062
--	--	--	--	--	--	48
1,476	--	5,222	9,397	27,347	4,932	99,755
392	--	457	(3,581)	758	304	6,405
--	--	--	--	--	--	208
--	--	--	--	(1,094)	--	(1,102)
2	--	7	112	7	--	180
--	--	11	--	406	--	1,197
(8)	--	--	--	(612)	(37)	(3,314)
--	--	--	(15,081)	--	--	(15,118)
2	--	10	--	134	--	2,927
(14)	--	--	--	(169)	--	(2,914)
(18)	--	28	(14,969)	(1,328)	(37)	(17,936)
374	--	485	(18,550)	(570)	267	(11,531)
--	--	--	182	--	--	27,124
--	--	--	--	--	--	9,368
--	(39,026)	(8,700)	--	--	--	(49,768)
374	(39,026)	(8,215)	(18,368)	(570)	267	(24,807)
1,837	303,854	10,042	174,166	9,742	729	1,281,036
$ 2,211	$ 264,828	$ 1,827	$ 155,798	$ 9,172	$ 996	$ 1,256,229

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BOARDS AND COMMISSIONS	CLEAN WATER STATE REVOLVING FUND	DRINKING WATER REVOLVING LOAN FUND	LOUISIANA AGRICULTURAL FINANCE AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:				
CASH RECEIPTS FROM CUSTOMERS	$ 39,503	$ 20,868	$ 13,688	$ 3,915
OTHER OPERATING CASH RECEIPTS	2,265	1,358	107	253
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(16,622)	(59,803)	(19,619)	(2,679)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(18,643)	--	--	--
CASH PAYMENTS FOR INTERFUND SERVICES USED, INCLUDING PAYMENTS IN LIEU OF TAXES	(9)	--	--	--
OTHER OPERATING CASH PAYMENTS	(93)	--	--	(1,960)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,401	(37,577)	(5,824)	(471)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
PROCEEDS FROM ISSUANCE OF BONDS AND NOTES	--	2,556	3,870	8,158
PRINCIPAL PAID ON BONDS AND NOTES	--	(2,600)	(3,950)	(7,668)
INTEREST PAID ON BONDS AND NOTES	--	--	(5)	--
OPERATING GRANTS RECEIVED	--	--	--	200
TRANSFERS IN	--	--	--	9,368
TRANSFERS OUT	--	(1,726)	--	--
OTHER	245	--	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	245	(1,770)	(85)	10,058
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
PROCEEDS FROM ISSUANCE OF BONDS AND NOTES	--	--	--	639
PRINCIPAL PAID ON BONDS AND NOTES	(443)	--	--	(7,785)
INTEREST PAID ON BONDS AND NOTES	(96)	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	(167)	--	--	(1,734)
PROCEEDS FROM SALE OF CAPITAL ASSETS	15	--	--	6,016
CAPITAL CONTRIBUTIONS	--	16,658	10,338	--
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(691)	16,658	10,338	(2,864)
CASH FLOWS FROM INVESTING ACTIVITIES:				
PURCHASES OF INVESTMENT SECURITIES	(9,469)	--	--	--
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	10,106	--	--	--
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	68	--	--	--
NET CASH PROVIDED BY INVESTING ACTIVITIES	705	--	--	--
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,660	(22,689)	4,429	6,723
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	29,267	334,804	73,017	9,671
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 35,927	$ 312,115	$ 77,446	$ 16,394
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
OPERATING INCOME (LOSS)	$ 4,129	$ 1,765	$ 4,863	$ (2,682)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION/AMORTIZATION	664	--	--	2,142
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	--	--	--	--
OTHER	53	--	--	17
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(48)	(11)	(2)	27
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	(8)	303	--	--
(INCREASE)DECREASE IN PREPAYMENTS	75	--	--	--
(INCREASE)DECREASE IN INVENTORIES	5	--	--	--
(INCREASE)DECREASE IN OTHER ASSETS	7	(39,645)	(10,685)	55
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	163	11	--	41
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	80	--	--	--
INCREASE(DECREASE) IN DUE TO OTHER FUNDS	6	--	--	(62)
INCREASE(DECREASE) IN UNEARNED REVENUES	284	--	--	(9)
INCREASE(DECREASE) IN NET OPEB OBLIGATION	1,000	--	--	--
INCREASE(DECREASE) IN OTHER LIABILITIES	(9)	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 6,401	$ (37,577)	$ (5,824)	$ (471)

(Continued)

LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	LOUISIANA GULF OPPORTUNITY ZONE LOAN FUND	LOUISIANA PROPERTY ASSISTANCE AGENCY	LOUISIANA TRANSPORTATION AUTHORITY	PRISON ENTERPRISES	DONALD J. THIBODEAUX TRAINING COMPLEX	TOTAL NONMAJOR ENTERPRISE FUNDS
$ 1,943	$ 39,026	$ 5,693	$ 7,450	$ 27,627	$ 5,173	$ 164,886
--	--	10	--	--	--	3,993
(942)	--	(2,360)	(2)	(21,409)	(2,447)	(125,883)
(456)	--	(1,948)	--	(6,939)	(2,081)	(30,067)
--	(39,026)	--	--	--	--	(39,035)
--	--	--	--	--	--	(2,053)
545	--	1,395	7,448	(721)	645	(28,159)
--	--	--	--	--	--	14,584
--	--	--	--	--	--	(14,218)
--	--	--	--	--	--	(5)
--	--	--	--	--	--	200
--	--	--	--	--	--	9,368
--	--	(8,700)	--	--	--	(10,426)
--	--	--	--	--	--	245
--	--	(8,700)	--	--	--	(252)
--	--	--	175,277	--	--	175,916
--	--	--	(170,511)	--	--	(178,739)
--	--	--	(14,043)	--	--	(14,139)
--	--	(274)	--	(1,112)	(191)	(3,478)
--	--	--	--	513	--	6,544
--	--	--	--	--	--	26,996
--	--	(274)	(9,277)	(599)	(191)	13,100
--	--	--	(13,055)	--	--	(22,524)
--	--	--	14,688	--	--	24,794
2	--	7	112	7	--	196
2	--	7	1,745	7	--	2,466
547	--	(7,572)	(84)	(1,313)	454	(12,845)
1,440	--	8,359	336	3,107	55	460,056
$ 1,987	$ --	$ 787	$ 252	$ 1,794	$ 509	$ 447,211
$ 392	$ --	$ 457	$ (3,581)	$ 758	$ 304	$ 6,405
32	--	224	9,395	505	148	13,110
--	--	--	--	(6)	--	(6)
(12)	--	--	--	(1,257)	--	(1,199)
80	--	591	(28)	(490)	(62)	57
--	--	--	1,039	--	--	1,334
--	--	--	--	(2)	--	73
50	--	--	--	(1,126)	(245)	(1,316)
--	--	--	--	--	--	(50,268)
--	--	18	--	131	467	831
14	--	14	--	257	(245)	120
--	--	--	77	--	--	21
--	--	--	546	28	--	849
(11)	--	91	--	484	278	1,842
--	--	--	--	(3)	--	(12)
$ 545	$ --	$ 1,395	$ 7,448	$ (721)	$ 645	$ (28,159)

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

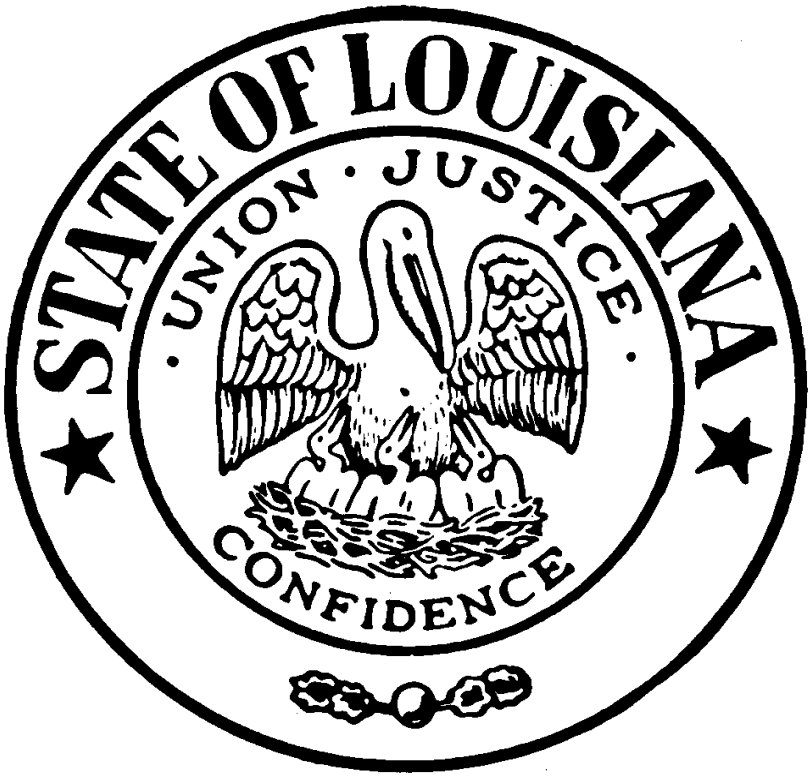
FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

	2014
LOUISIANA AGRICULTURAL FINANCE AUTHORITY	
DISPOSAL OF CAPITAL ASSETS	2,657
LOUISIANA TRANSPORTATION AUTHORITY	
CONTRIBUTIONS OF CAPITAL ASSETS	182

(Concluded)


STATE OF LOUISIANA
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State of Louisiana

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	LOUISIANA OFFICE BUILDING CORPORATION
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	$ 909	$ 34	$ 473
INVESTMENTS	--	535	--
RECEIVABLES (NET)	571	--	--
INVENTORIES	219	--	--
PREPAYMENTS	--	--	--
TOTAL CURRENT ASSETS	1,699	569	473
NONCURRENT ASSETS:			
RESTRICTED ASSETS			
INVESTMENTS	--	2,406	--
CAPITAL ASSETS (NOTE 5)			
LAND	--	--	--
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION)	147	--	--
OTHER NONCURRENT ASSETS	--	--	--
TOTAL NONCURRENT ASSETS	147	2,406	--
TOTAL ASSETS	$ 1,846	$ 2,975	$ 473
LIABILITIES			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND ACCRUALS	$ 198	$ --	$ --
UNEARNED REVENUES	--	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	29	--	--
NOTES PAYABLE	--	--	--
TOTAL CURRENT LIABILITIES	227	--	--
NONCURRENT LIABILITIES:			
NONCURRENT PORTION OF LONG-TERM LIABILITIES:			
COMPENSATED ABSENCES PAYABLE	56	--	--
CAPITAL LEASE OBLIGATIONS	13	--	--
NOTES PAYABLE	--	--	--
NET OPEB OBLIGATION	3,472	--	--
OTHER LONG-TERM LIABILITIES	--	--	--
TOTAL NONCURRENT LIABILITIES	3,541	--	--
TOTAL LIABILITIES	3,768	--	--
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	134	--	--
RESTRICTED FOR DEBT SERVICE	--	2,406	--
UNRESTRICTED	(2,056)	569	473
TOTAL NET POSITION	(1,922)	2,975	473
TOTAL LIABILITIES AND NET POSITION	$ 1,846	$ 2,975	$ 473

OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
$ --	$ 350	$ 4,451	$ 6,217
8,652	--	--	9,187
84	392	3,962	5,009
--	103	--	322
29	--	--	29
8,765	845	8,413	20,764
25,593	--	--	27,999
301	--	--	301
3	25	1,365	1,540
144	--	--	144
26,041	25	1,365	29,984
$ 34,806	$ 870	$ 9,778	$ 50,748
$ 620	$ 171	$ 2,911	$ 3,900
32	--	--	32
--	--	49	78
--	--	261	261
652	171	3,221	4,271
--	31	321	408
--	--	--	13
--	--	768	768
--	252	5,865	9,589
144	--	--	144
144	283	6,954	10,922
796	454	10,175	15,193
304	25	336	799
--	--	--	2,406
33,706	391	(733)	32,350
34,010	416	(397)	35,555
$ 34,806	$ 870	$ 9,778	$ 50,748

State of Louisiana

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	LOUISIANA OFFICE BUILDING CORPORATION
OPERATING REVENUES:			
SALES OF COMMODITIES AND SERVICES	$ 5,533	$ --	$ --
USE OF MONEY AND PROPERTY	--	--	--
TOTAL OPERATING REVENUES	5,533	--	--
OPERATING EXPENSES:			
COST OF SALES AND SERVICES	3,690	--	--
ADMINISTRATIVE	2,426	16	--
DEPRECIATION	67	--	--
TOTAL OPERATING EXPENSES	6,183	16	--
OPERATING INCOME (LOSS)	(650)	(16)	--
NONOPERATING REVENUES (EXPENSES):			
USE OF MONEY AND PROPERTY	2	--	--
LOSS ON DISPOSAL OF CAPITAL ASSETS	(165)	--	--
INTEREST EXPENSE	--	--	--
OTHER REVENUES	96	--	--
OTHER EXPENSES	--	--	--
TOTAL NONOPERATING REVENUES (EXPENSES)	(67)	--	--
INCOME (LOSS) BEFORE TRANSFERS	(717)	(16)	--
TRANSFERS OUT	--	--	--
CHANGE IN NET POSITION	(717)	(16)	--
TOTAL NET POSITION - BEGINNING AS RESTATED	(1,205)	2,991	473
TOTAL NET POSITION - ENDING	$ (1,922)	$ 2,975	$ 473

OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
$ --	$ 1,940	$ 41,319	$ 48,792
26,748	--	--	26,748
26,748	1,940	41,319	75,540
--	1,410	33,113	38,213
26,958	466	8,519	38,385
5	1	434	507
26,963	1,877	42,066	77,105
(215)	63	(747)	(1,565)
201	1	2	206
--	--	--	(165)
--	--	(3)	(3)
--	--	--	96
--	(1)	--	(1)
201	--	(1)	133
(14)	63	(748)	(1,432)
(32,000)	(250)	--	(32,250)
(32,014)	(187)	(748)	(33,682)
66,024	603	351	69,237
$ 34,010	$ 416	$ (397)	$ 35,555

State of Louisiana

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	ADMINISTRATIVE SERVICES	LOUISIANA CORRECTIONAL FACILITIES CORPORATION	LOUISIANA OFFICE BUILDING CORPORATION
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIPTS FROM CUSTOMERS	$ 5,392	$ --	$ --
CASH PAYMENTS TO SUPPLIERS FOR GOODS AND SERVICES	(4,246)	(16)	--
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(1,673)	--	--
OTHER OPERATING CASH PAYMENTS	97	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(430)	(16)	--
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
TRANSFERS OUT	--	--	--
OTHER	2	--	--
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	2	--	--
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
PROCEEDS FROM ISSUANCE OF NOTES	--	--	--
PRINCIPAL PAID ON NOTES	--	--	--
INTEREST PAID ON NOTES	--	--	--
ACQUISITION/CONSTRUCTION OF CAPITAL ASSETS	--	--	--
OTHER	(3)	--	--
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3)	--	--
CASH FLOWS FROM INVESTING ACTIVITIES:			
PURCHASE OF INVESTMENT SECURITIES	--	(4,707)	--
PROCEEDS FROM SALE OF INVESTMENT SECURITIES	--	4,723	--
INTEREST AND DIVIDENDS EARNED ON INVESTMENT SECURITIES	2	--	--
NET CASH PROVIDED BY INVESTING ACTIVITIES	2	16	--
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(429)	--	--
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,338	34	473
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 909	$ 34	$ 473
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	$ (650)	$ (16)	$ --
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
DEPRECIATION/AMORTIZATION	67	--	--
OTHER	--	--	--
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(140)	--	--
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	--	--	--
(INCREASE)DECREASE IN PREPAYMENTS	--	--	--
(INCREASE)DECREASE IN INVENTORIES	81	--	--
(INCREASE)DECREASE IN OTHER ASSETS	94	--	--
INCREASE(DECREASE) IN ACCOUNTS PAYABLE AND ACCRUALS	(14)	--	--
INCREASE(DECREASE) IN COMPENSATED ABSENCES PAYABLE	(39)	--	--
INCREASE(DECREASE) IN UNEARNED REVENUES	--	--	--
INCREASE(DECREASE) IN NET OPEB OBLIGATION	171	--	--
INCREASE(DECREASE) IN OTHER LIABILITIES	--	--	--
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (430)	$ (16)	$ --

(Concluded)

OFFICE FACILITIES CORPORATION	OFFICE OF AIRCRAFT SERVICES	OFFICE OF TELECOMMUNICATIONS MANAGEMENT	TOTAL INTERNAL SERVICE FUNDS
$ 18,901	$ 1,744	$ 41,782	$ 67,819
(26,400)	(1,397)	(31,836)	(63,895)
--	(343)	(8,519)	(10,535)
--	--	1,428	1,525
(7,499)	4	2,855	(5,086)
(32,000)	(250)	--	(32,250)
--	--	--	2
(32,000)	(250)	--	(32,248)
--	--	895	895
--	--	(218)	(218)
--	--	(3)	(3)
--	--	(711)	(711)
--	--	--	(3)
--	--	(37)	(40)
--	--	--	(4,707)
31,806	--	--	36,529
209	1	2	214
32,015	1	2	32,036
(7,484)	(245)	2,820	(5,338)
7,484	595	1,631	11,555
$ --	$ 350	$ 4,451	$ 6,217
$ (215)	$ 63	$ (747)	$ (1,565)
5	1	434	507
--	(1)	--	(1)
257	(196)	428	349
--	--	35	35
(8)	--	--	(8)
--	(4)	--	77
--	(21)	--	73
565	134	1,343	2,028
--	2	52	15
(8,104)	--	--	(8,104)
--	26	361	558
1	--	949	950
$ (7,499)	$ 4	$ 2,855	$ (5,086)

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET POSITION

PENSION TRUST FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL JUNE 30, 2014
ASSETS					
CASH AND CASH EQUIVALENTS	$ 46,565	$ 77,730	$ 1,825	$ 205,397	$ 331,517
RECEIVABLES:					
EMPLOYER CONTRIBUTIONS	15,762	46,859	1,203	166,930	230,754
MEMBER CONTRIBUTIONS	3,470	11,491	102	55,763	70,826
INVESTMENT PROCEEDS	6,606	23,064	173	1,542,626	1,572,469
INTEREST AND DIVIDENDS	3,626	27,162	441	43,977	75,206
OTHER	160	2,995	1	25,138	28,294
TOTAL RECEIVABLES	29,624	111,571	1,920	1,834,434	1,977,549
INVESTMENTS (AT FAIR VALUE):					
SHORT TERM INVESTMENTS	57,594	335,913	25,547	871,505	1,290,559
U. S. GOVERNMENT AND AGENCY OBLIGATIONS	100,345	197,619	9,632	1,069,786	1,377,382
BONDS - DOMESTIC	162,601	628,997	93,030	700,269	1,584,897
BONDS - INTERNATIONAL	104,101	323,151	--	1,667,921	2,095,173
MARKETABLE SECURITIES - DOMESTIC	834,389	2,958,499	278,765	5,201,857	9,273,510
MARKETABLE SECURITIES - INTERNATIONAL	250,446	3,361,787	44,237	3,688,369	7,344,839
ALTERNATIVE INVESTMENTS	279,673	3,271,799	168,139	4,312,951	8,032,562
COLLATERAL HELD UNDER SECURITIES LENDING PROGRAM	177,755	1,107,048	43,156	2,257,227	3,585,186
OTHER	2,101	--	--	--	2,101
INVESTMENTS (AT CONTRACT VALUE):					
SYNTHETIC GUARANTEED INVESTMENT CONTRACT	--	428,631	--	--	428,631
TOTAL INVESTMENTS	1,969,005	12,613,444	662,506	19,769,885	35,014,840
PROPERTY, PLANT AND EQUIPMENT:					
LAND	1,010	858	533	858	3,259
BUILDINGS AND IMPROVEMENTS	3,650	6,170	800	6,171	16,791
FURNITURE AND EQUIPMENT	439	2,662	170	4,930	8,201
INTANGIBLE ASSETS	564	10,887	--	--	11,451
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION	(1,996)	(15,449)	(194)	(7,859)	(25,498)
TOTAL PROPERTY, PLANT AND EQUIPMENT	3,667	5,128	1,309	4,100	14,204
TOTAL ASSETS	2,048,861	12,807,873	667,560	21,813,816	37,338,110
LIABILITIES					
ACCOUNTS PAYABLE	1,120	18,809	1,246	9,752	30,927
INVESTMENT COMMITMENTS PAYABLE	9,442	46,149	--	1,627,736	1,683,327
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	177,755	1,109,774	43,156	2,257,227	3,587,912
NET OPEB OBLIGATION	2,952	8,288	364	11,150	22,754
REFUNDS PAYABLE AND OTHER	225	--	--	7,916	8,141
TOTAL LIABILITIES	191,494	1,183,020	44,766	3,913,781	5,333,061
NET POSITION HELD IN TRUST FOR EMPLOYEES' PENSION BENEFITS	$ 1,857,367	$ 11,624,853	$ 622,794	$ 17,900,035	$ 32,005,049

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM	LOUISIANA STATE POLICE RETIREMENT SYSTEM	TEACHERS' RETIREMENT SYSTEM OF LOUISIANA	TOTAL JUNE 30, 2014
ADDITIONS					
CONTRIBUTIONS:					
EMPLOYER	$ 96,701	$ 615,164	$ 43,340	$ 1,087,623	$ 1,842,828
MEMBERS	22,177	152,993	4,565	326,007	505,742
TOTAL CONTRIBUTIONS	118,878	768,157	47,905	1,413,630	2,348,570
INVESTMENT INCOME:					
NET INCREASE IN FAIR VALUE OF INVESTMENTS	245,198	1,237,418	89,193	2,550,044	4,121,853
INTEREST AND DIVIDENDS	24,084	220,772	6,538	309,882	561,276
ALTERNATIVE INVESTMENT INCOME	5,832	370,966	--	34,601	411,399
LESS ALTERNATIVE INVESTMENT EXPENSES	--	(45,227)	--	(43,203)	(88,430)
SECURITIES LENDING INCOME	459	9,888	149	5,815	16,311
LESS SECURITIES LENDING EXPENSES	--	(806)	(58)	1,042	178
OTHER INVESTMENT INCOME (LOSS)	(1,980)	6,312	--	--	4,332
LESS INVESTMENT EXPENSE OTHER THAN ALTERNATIVE INVESTMENTS AND SECURITIES LENDING	(4,645)	(28,802)	(1,742)	(43,090)	(78,279)
NET INVESTMENT INCOME	268,948	1,770,521	94,080	2,815,091	4,948,640
OTHER INCOME	65	20,811	2,310	133,366	156,552
TOTAL ADDITIONS	387,891	2,559,489	144,295	4,362,087	7,453,762
DEDUCTIONS					
RETIREMENT BENEFITS	162,220	1,167,477	41,628	1,877,114	3,248,439
REFUNDS OF CONTRIBUTIONS	4,390	77,119	274	58,777	140,560
ADMINISTRATIVE EXPENSES	4,445	15,914	591	16,075	37,025
DEPRECIATION AND AMORTIZATION EXPENSES	181	1,724	32	323	2,260
OTHER	453	--	107	--	560
TOTAL DEDUCTIONS	171,689	1,262,234	42,632	1,952,289	3,428,844
CHANGE IN NET POSITION	216,202	1,297,255	101,663	2,409,798	4,024,918
NET POSITION HELD IN TRUST FOR EMPLOYEES' PENSION BENEFITS					
BEGINNING OF YEAR	1,641,165	10,327,598	521,131	15,490,237	27,980,131
END OF YEAR	$ 1,857,367	$ 11,624,853	$ 622,794	$ 17,900,035	$ 32,005,049

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY NET POSITION

INVESTMENT TRUST FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND	LOUISIANA ASSET MANAGEMENT POOL *	PATIENT'S COMPENSATION BOARD INVESTMENT TRUST FUND	TOTAL JUNE 30, 2014
ASSETS				
CASH AND CASH EQUIVALENTS	$ 31,902	$ 6,305	$ 50	$ 38,257
RECEIVABLES:				
INTEREST AND DIVIDENDS	52	163	--	215
OTHER	220	--	--	220
TOTAL RECEIVABLES	272	163	--	435
INVESTMENTS (AT FAIR VALUE):				
SHORT TERM INVESTMENTS	--	795,881	--	795,881
U. S. GOVERNMENT AND AGENCY OBLIGATIONS	16,387	409,692	--	426,079
MARKETABLE SECURITIES - DOMESTIC	8,243	--	--	8,243
REPURCHASE AGREEMENTS	--	197,175	--	197,175
TOTAL INVESTMENTS	24,630	1,402,748	--	1,427,378
OTHER ASSETS	--	8	--	8
PROPERTY, PLANT AND EQUIPMENT:				
FURNITURE AND EQUIPMENT	--	117	--	117
LESS ACCUMULATED DEPRECIATION	--	(90)	--	(90)
TOTAL PROPERTY, PLANT AND EQUIPMENT	--	27	--	27
TOTAL ASSETS	56,804	1,409,251	50	1,466,105
LIABILITIES				
ACCOUNTS PAYABLE	106	200	50	356
REFUNDS PAYABLE AND OTHER	--	53	--	53
TOTAL LIABILITIES	106	253	50	409
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS	$ 56,698	$ 1,408,998	$ --	$ 1,465,696

* For the period ending December 31, 2013.

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

INVESTMENT TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	EDUCATION EXCELLENCE LOCAL GOVERNMENT INVESTMENT TRUST FUND	LOUISIANA ASSET MANAGEMENT POOL *	PATIENT'S COMPENSATION BOARD INVESTMENT TRUST FUND	TOTAL JUNE 30, 2014
ADDITIONS				
CONTRIBUTIONS:				
POOL PARTICIPANTS (DEPOSITS)	$ 14,211	$ 1,357,310	$ --	$ 1,371,521
TOTAL CONTRIBUTIONS	14,211	1,357,310	--	1,371,521
INVESTMENT INCOME:				
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS	(73)	121	13,914	13,962
INTEREST AND DIVIDENDS	534	1,427	14,669	16,630
GAIN ON SALE OF INVESTMENT	--	26	--	26
OTHER INVESTMENT INCOME	--	1,266	--	1,266
NET INVESTMENT INCOME	461	2,840	28,583	31,884
TOTAL ADDITIONS	14,672	1,360,150	28,583	1,403,405
DEDUCTIONS				
ADMINISTRATIVE EXPENSES	169	2,049	--	2,218
DISTRIBUTIONS TO POOL PARTICIPANTS	20,256	1,708,720	821,783	2,550,759
TOTAL DEDUCTIONS	20,425	1,710,769	821,783	2,552,977
CHANGE IN NET POSITION	(5,753)	(350,619)	(793,200)	(1,149,572)
NET POSITION HELD IN TRUST FOR INVESTMENT POOL PARTICIPANTS				
BEGINNING OF YEAR	62,451	1,759,617	793,200	2,615,268
END OF YEAR	$ 56,698	$ 1,408,998	$ --	$ 1,465,696

* For the period ending December 31, 2013.

State of Louisiana

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	DEBT SERVICE RESERVE FUND	ESCROW FUND	FREE SCHOOL FUND	GEAUX PASS TRANSITION FUND	INSURANCE TRUSTS
ASSETS					
CASH AND CASH EQUIVALENTS	$ 3,395	$ 230,680	$ 6,071	$ 2,270	$ 1,215
INVESTMENTS	--	188,353	23,935	--	10,230
RECEIVABLES	--	165,508	555	--	2,087
OTHER ASSETS	--	--	--	--	25
TOTAL ASSETS	$ 3,395	$ 584,541	$ 30,561	$ 2,270	$ 13,557
LIABILITIES					
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 3,395	$ 380,884	$ 30,278	$ 2,270	$ 13,506
OTHER LIABILITIES	--	203,657	283	--	51
TOTAL LIABILITIES	$ 3,395	$ 584,541	$ 30,561	$ 2,270	$ 13,557

	MISCEL-LANEOUS AGENCY FUNDS	NON-STATE ENTITIES OPEB	PARISH ROYALTY FUND	PAYROLL CLEARING FUND	TOTAL JUNE 30, 2014
ASSETS					
CASH AND CASH EQUIVALENTS	$ 16,975	$ 8,145	$ 18,706	$ 72,393	$ 359,850
INVESTMENTS	--	--	--	--	222,518
RECEIVABLES	--	9,128	6,628	--	183,906
OTHER ASSETS	--	--	--	--	25
TOTAL ASSETS	$ 16,975	$ 17,273	$ 25,334	$ 72,393	$ 766,299
LIABILITIES					
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 16,975	$ 8,746	$ 25,334	$ 72,393	$ 553,781
OTHER LIABILITIES	--	8,527	--	--	212,518
TOTAL LIABILITIES	$ 16,975	$ 17,273	$ 25,334	$ 72,393	$ 766,299

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
DEBT SERVICE RESERVE FUND				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 3,602	$ --	$ 207	$ 3,395
TOTAL ASSETS	$ 3,602	$ --	$ 207	$ 3,395
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 3,566	$ --	$ 171	$ 3,395
OTHER LIABILITIES	36	--	36	--
TOTAL LIABILITIES	$ 3,602	$ --	$ 207	$ 3,395
ESCROW FUND				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 326,916	$ 1,399,128	$ 1,495,364	$ 230,680
INVESTMENTS	160,837	27,516	--	188,353
RECEIVABLES	134,377	165,508	134,377	165,508
TOTAL ASSETS	$ 622,130	$ 1,592,152	$ 1,629,741	$ 584,541
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 445,325	$ 1,457,776	$ 1,522,217	$ 380,884
OTHER LIABILITIES	176,805	203,657	176,805	203,657
TOTAL LIABILITIES	$ 622,130	$ 1,661,433	$ 1,699,022	$ 584,541
FREE SCHOOL FUND				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 5,010	$ 2,270	$ 1,209	$ 6,071
INVESTMENTS	24,637	--	702	23,935
RECEIVABLES	609	207	261	555
TOTAL ASSETS	$ 30,256	$ 2,477	$ 2,172	$ 30,561
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 29,828	$ 1,779	$ 1,329	$ 30,278
OTHER LIABILITIES	428	283	428	283
TOTAL LIABILITIES	$ 30,256	$ 2,062	$ 1,757	$ 30,561

(Continued)

State of Louisiana

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
GEAUX PASS TRANSITION FUND				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ --	$ 7,295	$ 5,025	$ 2,270
TOTAL ASSETS	$ --	$ 7,295	$ 5,025	$ 2,270
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ --	$ 7,295	$ 5,025	$ 2,270
TOTAL LIABILITIES	$ --	$ 7,295	$ 5,025	$ 2,270
INSURANCE TRUSTS				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 1,662	$ 7,635	$ 8,082	$ 1,215
INVESTMENTS	16,942	54	6,766	10,230
RECEIVABLES	1,926	1,209	1,048	2,087
OTHER ASSETS	49	3	27	25
TOTAL ASSETS	$ 20,579	$ 8,901	$ 15,923	$ 13,557
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 20,465	$ 8,850	$ 15,809	$ 13,506
OTHER LIABILITIES	114	51	114	51
TOTAL LIABILITIES	$ 20,579	$ 8,901	$ 15,923	$ 13,557
MISCELLANEOUS AGENCY FUNDS				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 16,762	$ 71,587	$ 71,374	$ 16,975
TOTAL ASSETS	$ 16,762	$ 71,587	$ 71,374	$ 16,975
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 16,762	$ 71,587	$ 71,374	$ 16,975
TOTAL LIABILITIES	$ 16,762	$ 71,587	$ 71,374	$ 16,975
NON-STATE ENTITIES OPEB				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 34,943	$ 189,800	$ 216,598	$ 8,145
RECEIVABLES	4,550	194,380	189,802	9,128
TOTAL ASSETS	$ 39,493	$ 384,180	$ 406,400	$ 17,273
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 38,712	$ 194,380	$ 224,346	$ 8,746
OTHER LIABILITIES	781	224,344	216,598	8,527
TOTAL LIABILITIES	$ 39,493	$ 418,724	$ 440,944	$ 17,273

(Continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	BALANCE JULY 1, 2013	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2014
PARISH ROYALTY FUND				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 18,692	$ 54,341	$ 54,327	$ 18,706
RECEIVABLES	6,469	6,628	6,469	6,628
TOTAL ASSETS	$ 25,161	$ 60,969	$ 60,796	$ 25,334
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 25,161	$ 54,500	$ 54,327	$ 25,334
TOTAL LIABILITIES	$ 25,161	$ 54,500	$ 54,327	$ 25,334
PAYROLL CLEARING FUND				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 80,866	$ 2,550,661	$ 2,559,134	$ 72,393
TOTAL ASSETS	$ 80,866	$ 2,550,661	$ 2,559,134	$ 72,393
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 80,866	$ 2,550,661	$ 2,559,134	$ 72,393
TOTAL LIABILITIES	$ 80,866	$ 2,550,661	$ 2,559,134	$ 72,393
TOTAL ALL AGENCY FUNDS *				
ASSETS:				
CASH AND CASH EQUIVALENTS	$ 488,453	$ 4,282,717	$ 4,411,320	$ 359,850
INVESTMENTS	202,416	27,570	7,468	222,518
RECEIVABLES	147,931	367,932	331,957	183,906
OTHER ASSETS	49	3	27	25
TOTAL ASSETS	$ 838,849	$ 4,678,222	$ 4,750,772	$ 766,299
LIABILITIES:				
AMOUNTS HELD IN CUSTODY FOR OTHERS	$ 660,685	$ 4,346,828	$ 4,453,732	$ 553,781
OTHER LIABILITIES	178,164	428,335	393,981	212,518
TOTAL LIABILITIES	$ 838,849	$ 4,775,163	$ 4,847,713	$ 766,299

* Beginning balances restated

(Concluded)

COMBINING STATEMENT OF NET POSITION

NONMAJOR COMPONENT UNITS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	ACADIANA AREA HUMAN SERVICES DISTRICT	ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	BOARDS AND COMMISSIONS	CAPITAL AREA HUMAN SERVICES DISTRICT	CENTRAL LOUISIANA HUMAN SERVICES DISTRICT
ASSETS					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 2,064	$ 179	$ 4,415	$ 2,174	$ 208
RESTRICTED CASH AND CASH EQUIVALENTS	--	--	--	--	--
INVESTMENTS	--	--	17,883	--	--
RECEIVABLES (NET)	945	189	147	444	208
AMOUNTS DUE FROM PRIMARY GOVERNMENT	1,601	--	--	--	--
DUE FROM FEDERAL GOVERNMENT	--	318	--	2	--
INVENTORIES	427	--	--	--	--
PREPAYMENTS	9	5	3	12	--
NOTES RECEIVABLE	--	--	--	--	--
OTHER CURRENT ASSETS	--	--	--	--	--
TOTAL CURRENT ASSETS	5,046	691	22,448	2,632	416
NONCURRENT ASSETS:					
RESTRICTED ASSETS:					
CASH	--	--	--	--	--
INVESTMENTS	--	154	--	--	--
RECEIVABLES (NET)	--	--	--	--	--
NOTES RECEIVABLE	--	--	--	--	--
INVESTMENTS	--	--	11,211	--	--
NOTES RECEIVABLE	--	--	--	--	--
CAPITAL ASSETS (NOTE 5)					
LAND	--	1,194	352	--	--
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION	--	1,384	515	--	--
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION	14	176	117	222	--
INFRASTRUCTURE (NET OF DEPRECIATION)	--	5,332	--	--	--
INTANGIBLE ASSETS (NET OF AMORTIZATION	--	--	--	--	--
CONSTRUCTION IN PROGRESS	--	2,361	--	--	--
OTHER NONCURRENT ASSETS	--	--	12	--	--
TOTAL NONCURRENT ASSETS	14	10,601	12,207	222	--
TOTAL ASSETS	5,060	11,292	34,655	2,854	416
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	--	--	--	--
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 5,060	$ 11,292	$ 34,655	$ 2,854	$ 416
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	$ 631	$ 472	$ 329	$ 918	$ 171
AMOUNTS DUE TO PRIMARY GOVERNMENT	3,197	--	--	328	390
DUE TO FEDERAL GOVERNMENT	--	--	--	--	--
UNEARNED REVENUES	21	12	1,672	299	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	--	--	--	--	--
OTHER CURRENT LIABILITIES	--	--	105	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES					
CONTRACTS PAYABLE	--	--	--	--	--
COMPENSATED ABSENCES PAYABLE	237	--	19	657	45
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--
NOTES PAYABLE	--	--	--	--	--
BONDS PAYABLE	--	10	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	--	--
TOTAL CURRENT LIABILITIES	4,086	494	2,125	2,202	606
LONG-TERM LIABILITIES:					
NONCURRENT PORTION OF LONG-TERM LIABILITIES					
COMPENSATED ABSENCES PAYABLE	430	--	204	653	472
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--
NOTES PAYABLE	--	--	--	--	--
BONDS PAYABLE	--	696	--	--	--
NET OPEB OBLIGATION	1,267	--	2,224	15,342	506
POLLUTION REMEDIATION OBLIGATIONS	--	--	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	5	--	--
TOTAL LONG-TERM LIABILITIES	1,697	696	2,433	15,995	978
TOTAL LIABILITIES	5,783	1,190	4,558	18,197	1,584
DEFERRED INFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	--	--	--
NET POSITION:					
NET INVESTMENT IN CAPITAL ASSETS	14	9,741	984	222	--
RESTRICTED FOR:					
CAPITAL PROJECTS	--	--	--	--	--
DEBT SERVICE	--	134	--	--	--
OTHER PURPOSES	--	--	--	--	--
UNRESTRICTED	(737)	227	29,113	(15,565)	(1,168)
TOTAL NET POSITION	(723)	10,102	30,097	(15,343)	(1,168)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 5,060	$ 11,292	$ 34,655	$ 2,854	$ 416

* As of October 31, 2013.
** As of December 31, 2013.

(Continued)

FLORIDA PARISHES HUMAN SERVICES AUTHORITY	FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	GREATER BATON ROUGE PORT COMMISSION **	GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	IMPERIAL CALCASIEU HUMAN SERVICES AUTHORITY	JEFFERSON PARISH HUMAN SERVICES AUTHORITY	LOUISIANA CANCER RESEARCH CENTER	LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION	LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
$ 1,010	$ 3,786	$ 7,646	$ 10,360	$ 331	$ 12,730	$ 19,218	$ 123,196	$ 7,416
--	--	--	--	--	--	--	--	--
--	27,321	8,872	898	--	--	7,903	--	--
3,881	363	1,237	39	950	1,527	3,704	50,367	1,963
137	56	--	57	--	4	190	--	--
18	--	--	--	--	--	--	--	--
77	--	--	910	--	--	--	--	--
7	141	56	515	--	1,148	225	13,661	--
--	--	--	--	--	--	--	--	338
--	--	--	--	--	--	--	2,221	24,962
5,130	31,667	17,811	12,779	1,281	15,409	31,240	189,445	34,679
--	--	--	43,543	--	--	--	7,670	--
--	3,726	740	10,541	--	--	--	154,264	--
--	--	--	5,471	--	--	--	--	--
--	--	--	--	--	--	--	--	853
--	--	--	--	--	--	3,278	--	28,356
--	--	--	--	--	--	--	--	--
--	--	11,203	--	--	--	672	--	--
--	--	36,478	2,966	--	6,756	80,741	--	--
256	--	3,211	3,851	--	197	3,137	333	--
--	--	7,041	103,247	--	--	--	--	--
--	--	--	--	--	--	--	486	--
--	--	5,369	--	--	--	487	--	--
--	--	--	--	--	--	53	124	5,641
256	3,726	64,042	169,619	--	6,953	88,368	162,877	34,850
5,386	35,393	81,853	182,398	1,281	22,362	119,608	352,322	69,529
--	--	--	833	--	--	--	--	--
--	--	--	833	--	--	--	--	--
$ 5,386	$ 35,393	$ 81,853	$ 183,231	$ 1,281	$ 22,362	$ 119,608	$ 352,322	$ 69,529
$ 550	$ 31	$ 450	$ 1,991	$ 174	$ 716	$ 7,001	$ 10,581	$ 66
204	23	--	--	668	--	--	--	--
--	--	--	--	--	--	--	--	--
160	128	996	1,042	--	--	--	96,322	1,738
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	13,572	--
--	--	305	1,896	--	--	--	--	--
505	--	106	--	67	--	--	96	26
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	73,377	--
--	--	--	--	--	--	--	--	--
--	--	545	28,639	--	--	--	47,043	--
--	--	107	--	--	--	--	--	--
1,419	182	2,509	33,568	909	716	7,001	240,991	1,830
305	--	187	1,447	276	746	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	2,708	--	--	--	18,000	--
--	--	--	--	--	--	--	--	--
--	--	3,261	47,272	--	--	--	742,651	--
8,528	--	2,500	4,776	495	10,358	--	1,597	--
--	--	35	--	--	--	--	--	--
--	--	--	1,261	--	27	--	7,670	967
8,833	--	5,983	57,464	771	11,131	--	769,918	967
10,252	182	8,492	91,032	1,680	11,847	7,001	1,010,909	2,797
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
256	--	59,496	34,154	--	6,953	85,037	819	--
--	--	--	12,880	--	--	--	--	--
--	--	79	43,514	--	--	--	313,653	--
--	--	--	--	--	--	24,024	--	6,208
(5,122)	35,211	13,786	1,651	(399)	3,562	3,546	(973,059)	60,524
(4,866)	35,211	73,361	92,199	(399)	10,515	112,607	(658,587)	66,732
$ 5,386	$ 35,393	$ 81,853	$ 183,231	$ 1,281	$ 22,362	$ 119,608	$ 352,322	$ 69,529

COMBINING STATEMENT OF NET POSITION

NONMAJOR COMPONENT UNITS

JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

	LOUISIANA HOUSING CORPORATION	LOUISIANA PUBLIC FACILITIES AUTHORITY **	LOUISIANA UTILITIES RESTORATION CORPORATION	METROPOLITAN HUMAN SERVICES DISTRICT	NORTHEAST DELTA HUMAN SERVICES AUTHORITY
ASSETS					
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 1,499	$ 8,999	$ --	$ 4,663	$ 367
RESTRICTED CASH AND CASH EQUIVALENTS	--	--	98,071	--	--
INVESTMENTS	771	1,295	--	--	--
RECEIVABLES (NET)	204	926	14,787	339	1,570
AMOUNTS DUE FROM PRIMARY GOVERNMENT	4	--	--	540	--
DUE FROM FEDERAL GOVERNMENT	2,381	--	--	--	--
INVENTORIES	--	--	--	--	48
PREPAYMENTS	--	10	--	5	3
NOTES RECEIVABLE	1,129	3,535	--	--	--
OTHER CURRENT ASSETS	507	--	--	--	--
TOTAL CURRENT ASSETS	6,495	14,765	112,858	5,547	1,988
NONCURRENT ASSETS:					
RESTRICTED ASSETS:					
CASH	23,420	--	--	--	--
INVESTMENTS	11,444	--	--	--	--
RECEIVABLES (NET)	51,276	--	--	--	--
NOTES RECEIVABLE	126,224	--	--	--	--
INVESTMENTS	10,435	20,214	--	--	--
NOTES RECEIVABLE	--	4,049	--	--	--
CAPITAL ASSETS (NOTE 5)					
LAND	1,022	--	--	--	--
BUILDINGS AND IMPROVEMENTS (NET OF DEPRECIATION	93,824	--	--	--	--
MACHINERY AND EQUIPMENT (NET OF DEPRECIATION	769	33	--	369	23
INFRASTRUCTURE (NET OF DEPRECIATION)	--	--	--	--	--
INTANGIBLE ASSETS (NET OF AMORTIZATION	--	--	--	--	--
CONSTRUCTION IN PROGRESS	113	--	--	--	--
OTHER NONCURRENT ASSETS	--	--	--	--	--
TOTAL NONCURRENT ASSETS	318,527	24,296	--	369	23
TOTAL ASSETS	325,022	39,061	112,858	5,916	2,011
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	--	--	--	--	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	--	--	--	--
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 325,022	$ 39,061	$ 112,858	$ 5,916	$ 2,011
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUALS	$ 5,747	$ 430	$ 20,652	$ 1,423	$ 301
AMOUNTS DUE TO PRIMARY GOVERNMENT	--	--	--	327	887
DUE TO FEDERAL GOVERNMENT	31	--	--	--	--
UNEARNED REVENUES	6,626	--	--	--	--
AMOUNTS HELD IN CUSTODY FOR OTHERS	8,100	--	--	--	--
OTHER CURRENT LIABILITIES	--	--	--	--	--
CURRENT PORTION OF LONG-TERM LIABILITIES					
CONTRACTS PAYABLE	--	--	--	--	--
COMPENSATED ABSENCES PAYABLE	1,070	--	--	426	85
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--
NOTES PAYABLE	13,714	--	--	--	--
BONDS PAYABLE	790	--	158,450	--	--
OTHER LONG-TERM LIABILITIES	--	271	--	--	--
TOTAL CURRENT LIABILITIES	36,078	701	179,102	2,176	1,273
LONG-TERM LIABILITIES:					
NONCURRENT PORTION OF LONG-TERM LIABILITIES					
COMPENSATED ABSENCES PAYABLE	--	--	--	185	556
CAPITAL LEASE OBLIGATIONS	--	--	--	--	--
ESTIMATED LIABILITY FOR CLAIMS	--	--	--	--	--
NOTES PAYABLE	--	--	--	--	--
BONDS PAYABLE	9,580	--	875,482	--	--
NET OPEB OBLIGATION	6,305	--	--	6,618	641
POLLUTION REMEDIATION OBLIGATIONS	--	--	--	--	--
OTHER LONG-TERM LIABILITIES	--	--	--	--	--
TOTAL LONG-TERM LIABILITIES	15,885	--	875,482	6,803	1,197
TOTAL LIABILITIES	51,963	701	1,054,584	8,979	2,470
DEFERRED INFLOWS OF RESOURCES					
DEFERRED AMOUNTS ON DEBT REFUNDING	281	--	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	281	--	--	--	--
NET POSITION:					
NET INVESTMENT IN CAPITAL ASSETS	93,293	33	--	369	23
RESTRICTED FOR:					
CAPITAL PROJECTS	--	--	--	--	--
DEBT SERVICE	--	--	--	--	--
OTHER PURPOSES	174,224	--	--	--	--
UNRESTRICTED	5,261	38,327	(941,726)	(3,432)	(482)
TOTAL NET POSITION	272,778	38,360	(941,726)	(3,063)	(459)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 325,022	$ 39,061	$ 112,858	$ 5,916	$ 2,011

* As of October 31, 2013.
** As of December 31, 2013.

(Concluded)

NORTHWEST LOUISIANA HUMAN SERVICES DISTRICT	OTHER LEVEE DISTRICTS	OUACHITA EXPRESSWAY AUTHORITY	ROAD HOME CORPORATION	SABINE RIVER AUTHORITY	SOUTH CENTRAL LOUISIANA HUMAN SERVICES AUTHORITY	SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST AND WEST	TOTAL NONMAJOR COMPONENT UNITS
$ 277	$ 36,739	$ 4	$ 156	$ 5,825	$ 942	$ 114,802	$ 369,006
--	8	--	--	5,289	--	4,247	107,615
--	60,316	--	--	2,005	--	--	127,264
1,080	10,290	--	1,065	1,726	47	1,982	99,980
--	690	--	--	--	2,473	3,937	9,689
--	--	--	--	--	--	--	2,719
68	39	--	--	--	264	510	2,343
--	386	--	65	--	9	--	16,260
--	10	--	--	--	--	--	5,012
--	13	--	--	--	--	619	28,322
1,425	108,491	4	1,286	14,845	3,735	126,097	768,210
--	11,000	--	--	--	--	--	85,633
--	12,000	--	--	1,223	--	--	194,092
--	--	--	--	--	--	--	56,747
--	--	--	--	--	--	--	127,077
--	13,165	--	--	--	--	37,333	123,992
--	--	--	--	--	--	--	4,049
--	10,828	--	4,179	1,430	--	41,891	72,771
--	6,978	--	565	27,641	--	87,861	345,709
13	10,484	--	20	892	258	4,556	28,931
--	84,703	--	--	17,377	--	92,456	310,156
--	--	--	--	5,149	--	--	5,635
--	56	--	--	6,460	--	25,479	40,325
--	1,351	--	176	50	--	--	7,407
13	150,565	--	4,940	60,222	258	289,576	1,402,524
1,438	259,056	4	6,226	75,067	3,993	415,673	2,170,734
--	--	--	--	--	--	--	833
--	--	--	--	--	--	--	833
$ 1,438	$ 259,056	$ 4	$ 6,226	$ 75,067	$ 3,993	$ 415,673	$ 2,171,567
$ 301	$ 1,624	$ --	$ 1,001	$ 790	$ 1,617	$ 1,438	$ 59,405
750	6	--	--	--	1,142	689	8,611
--	--	--	--	--	--	2,192	2,223
--	229	--	--	295	863	712	111,115
--	--	--	--	--	--	--	8,100
--	55	--	18	--	--	--	13,750
--	1,794	--	--	--	--	3,351	7,346
68	72	--	--	219	414	73	4,185
--	160	--	--	--	--	--	160
--	--	--	--	--	--	--	73,377
--	--	--	--	--	--	--	13,714
--	870	--	--	924	--	--	237,271
--	--	--	--	--	--	--	378
1,119	4,810	--	1,019	2,228	4,036	8,455	539,635
471	1,104	--	88	--	429	1,340	8,893
--	292	--	--	--	--	--	292
--	--	--	--	--	--	200	20,908
--	--	--	--	--	--	26,126	26,126
--	6,885	--	--	7,308	--	--	1,693,135
544	16,291	--	--	2,701	3,460	12,678	96,831
--	--	--	--	--	--	--	35
--	--	--	--	--	--	3,586	13,516
1,015	24,572	--	88	10,009	3,889	43,930	1,859,736
2,134	29,382	--	1,107	12,237	7,925	52,385	2,399,371
--	--	--	--	--	--	--	281
--	--	--	--	--	--	--	281
13	109,642	--	4,764	50,717	258	252,243	709,031
--	--	--	--	4,003	--	531	17,414
--	--	--	--	2,510	--	2,055	361,945
--	7,805	--	--	--	--	2,192	214,453
(709)	112,227	4	355	5,600	(4,190)	106,267	(1,530,928)
(696)	229,674	4	5,119	62,830	(3,932)	363,288	(228,085)
$ 1,438	$ 259,056	$ 4	$ 6,226	$ 75,067	$ 3,993	$ 415,673	$ 2,171,567

COMBINING STATEMENT OF ACTIVITIES

NONMAJOR COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2014

(EXPRESSED IN THOUSANDS)

		PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
NONMAJOR COMPONENT UNITS:					
ACADIANA AREA HUMAN SERVICES DISTRICT	$ 18,935	$ 3,675	$ --	$ --	$ (15,260)
ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	701	196	105	1,943	1,543
BOARDS AND COMMISSIONS	8,197	7,041	--	--	(1,156)
CAPITAL AREA HUMAN SERVICES DISTRICT	28,101	8,019	--	--	(20,082)
CENTRAL LOUISIANA HUMAN SERVICES DISTRICT	8,294	7,126	--	--	(1,168)
FLORIDA PARISHES HUMAN SERVICES AUTHORITY	17,705	9,938	--	--	(7,767)
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	6,723	3,006	3,640	--	(77)
GREATER BATON ROUGE PORT COMMISSION **	8,160	7,446	--	3,486	2,772
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	21,645	16,212	--	8,829	3,396
IMPERIAL CALCASIEU HUMAN SERVICES AUTHORITY	8,364	7,958	--	7	(399)
JEFFERSON PARISH HUMAN SERVICES AUTHORITY	21,241	2,518	5,010	--	(13,713)
LOUISIANA CANCER RESEARCH CENTER	22,919	--	15,491	466	(6,962)
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION	127,618	118,472	--	--	(9,146)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	25,869	2,127	1,848	--	(21,894)
LOUISIANA HOUSING CORPORATION	208,124	15,463	165,056	--	(27,605)
LOUISIANA PUBLIC FACILITIES AUTHORITY **	2,444	2,469	--	--	25
LOUISIANA UTILITIES RESTORATION CORPORATION	51,909	204,583	--	--	152,674
METROPOLITAN HUMAN SERVICES DISTRICT	24,436	1,062	811	--	(22,563)
NORTHEAST DELTA HUMAN SERVICES AUTHORITY	11,699	11,208	--	32	(459)
NORTHWEST LOUISIANA HUMAN SERVICES DISTRICT	10,595	9,849	--	50	(696)
OTHER LEVEE DISTRICTS	56,937	815	2,066	69	(53,987)
OUACHITA EXPRESSWAY AUTHORITY	--	--	--	--	--
ROAD HOME CORPORATION	20,288	--	4,709	797	(14,782)
SABINE RIVER AUTHORITY	9,220	9,710	--	--	490
SOUTH CENTRAL LOUISIANA HUMAN SERVICES AUTHORITY	22,814	4,586	--	--	(18,228)
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST AND WEST	56,474	5,589	530	5,738	(44,617)
TOTAL NONMAJOR COMPONENT UNITS	$ 799,412	$ 459,068	$ 199,266	$ 21,417	$ (119,661)

	GENERAL REVENUES			NET POSITION BEGINNING	
	PAYMENTS FROM PRIMARY GOVERNMENT	OTHER GENERAL REVENUES	CHANGE IN NET POSITION	OF YEAR AS RESTATED	NET POSITION END OF YEAR
NONMAJOR COMPONENT UNITS:					
ACADIANA AREA HUMAN SERVICES DISTRICT	$ 15,021	$ 19	$ (220)	$ (503)	$ (723)
ASCENSION-ST. JAMES AIRPORT AND TRANSPORTATION AUTHORITY	--	23	1,566	8,536	10,102
BOARDS AND COMMISSIONS	360	3,230	2,434	27,663	30,097
CAPITAL AREA HUMAN SERVICES DISTRICT	17,084	11	(2,987)	(12,356)	(15,343)
CENTRAL LOUISIANA HUMAN SERVICES DISTRICT	--	--	(1,168)	--	(1,168)
FLORIDA PARISHES HUMAN SERVICES AUTHORITY	9,750	34	2,017	(6,883)	(4,866)
FOUNDATION FOR EXCELLENCE IN LOUISIANA PUBLIC BROADCASTING	--	4,131	4,054	31,157	35,211
GREATER BATON ROUGE PORT COMMISSION **	--	73	2,845	70,516	73,361
GREATER NEW ORLEANS EXPRESSWAY COMMISSION *	--	358	3,754	88,445	92,199
IMPERIAL CALCASIEU HUMAN SERVICES AUTHORITY	--	--	(399)	--	(399)
JEFFERSON PARISH HUMAN SERVICES AUTHORITY	14,458	2,298	3,043	7,472	10,515
LOUISIANA CANCER RESEARCH CENTER	--	1,799	(5,163)	117,770	112,607
LOUISIANA CITIZENS PROPERTY INSURANCE CORPORATION	--	102,939	93,793	(752,380)	(658,587)
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION	--	10,054	(11,840)	78,572	66,732
LOUISIANA HOUSING CORPORATION	--	3,731	(23,874)	296,652	272,778
LOUISIANA PUBLIC FACILITIES AUTHORITY **	--	26	51	38,309	38,360
LOUISIANA UTILITIES RESTORATION CORPORATION	--	1	152,675	(1,094,401)	(941,726)
METROPOLITAN HUMAN SERVICES DISTRICT	21,196	--	(1,367)	(1,696)	(3,063)
NORTHEAST DELTA HUMAN SERVICES AUTHORITY	--	--	(459)	--	(459)
NORTHWEST LOUISIANA HUMAN SERVICES DISTRICT	--	--	(696)	--	(696)
OTHER LEVEE DISTRICTS	6,231	55,363	7,607	222,067	229,674
OUACHITA EXPRESSWAY AUTHORITY	--	--	--	4	4
ROAD HOME CORPORATION	--	--	(14,782)	19,901	5,119
SABINE RIVER AUTHORITY	--	203	693	62,137	62,830
SOUTH CENTRAL LOUISIANA HUMAN SERVICES AUTHORITY	15,383	--	(2,845)	(1,087)	(3,932)
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY-EAST AND WEST	1,999	69,029	26,411	336,877	363,288
TOTAL NONMAJOR COMPONENT UNITS	$ 101,482	$ 253,322	$ 235,143	$ (463,228)	$ (228,085)

* For the period ending October 31, 2013.

** For the period ending December 31, 2013.

III. STATISTICAL SECTION

Statistical Section Index

This part of the Louisiana comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Louisiana's overall financial health.

Contents **Page**

Financial Trends **142**
These schedules contain trend information to help the reader understand how Louisiana's financial performance and well-being have changed over time.

Revenue Capacity **152**
These schedules contain information to help the reader assess Louisiana's most significant state revenue source, income tax.

Debt Capacity **157**
These schedules present information to help the reader assess the affordability of Louisiana's current levels of outstanding debt and Louisiana's ability to issue additional debt in the future.

Demographic and Economic Information **162**
These schedules offer demographic and economic indicators to help the reader understand the environment within which Louisiana's financial activities take place.

Operating Information **164**
These schedules contain service and infrastructure data to help the reader understand how the information in Louisiana's financial report relates to the services Louisiana provides and the activities it performs.

State of Louisiana

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2014	2013	2012	2011
GOVERNMENTAL ACTIVITIES				
NET INVESTMENT IN CAPITAL ASSETS *	$ 11,230,136	$ 11,573,027	$ 11,466,833	$ 11,862,399
RESTRICTED	4,592,434	4,721,228	4,580,471	5,008,705
UNRESTRICTED	(5,460,846)	(5,034,905)	(3,914,614)	(3,341,575)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 10,361,724	$ 11,259,350	$ 12,132,690	$ 13,529,529
BUSINESS-TYPE ACTIVITIES				
NET INVESTMENT IN CAPITAL ASSETS *	$ 354,442	$ 338,894	$ 200,294	$ 218,826
RESTRICTED	1,038,066	991,425	839,363	906,600
UNRESTRICTED	943,383	966,905	1,042,012	896,531
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 2,335,891	$ 2,297,224	$ 2,081,669	$ 2,021,957
PRIMARY GOVERNMENT				
NET INVESTMENT IN CAPITAL ASSETS *	$ 11,584,578	$ 11,911,921	$ 11,667,127	$ 12,081,225
RESTRICTED	5,630,500	5,712,653	5,419,834	5,915,305
UNRESTRICTED	(4,517,463)	(4,068,000)	(2,872,602)	(2,445,044)
TOTAL PRIMARY GOVERNMENT NET POSITION	$ 12,697,615	$ 13,556,574	$ 14,214,359	$ 15,551,486

* GASB 63 replaced the following terminology: "Net assets" was replaced with "net position" and "invested in capital assets, net of related debt" was replaced with "net investment in capital assets."

Source: Office of Statewide Reporting and Accounting Policy

2010	2009	2008	2007	2006	2005
$ 14,737,911	$ 14,091,358	$ 12,780,381	$ 11,841,240	$ 11,304,859	$ 10,982,851
5,096,314	5,489,526	5,214,389	5,504,064	6,988,644	6,825,025
(2,318,148)	(1,059,178)	682,749	379,890	(3,460,580)	(4,449,263)
$ 17,516,077	$ 18,521,706	$ 18,677,519	$ 17,725,194	$ 14,832,923	$ 13,358,613
$ 170,960	$ 119,033	$ 19,755	$ 22,290	$ 22,353	$ 20,251
1,048,285	1,417,455	1,572,760	1,476,729	1,407,337	1,547,700
772,984	964,436	940,801	905,398	467,360	433,632
$ 1,992,229	$ 2,500,924	$ 2,533,316	$ 2,404,417	$ 1,897,050	$ 2,001,583
$ 14,908,871	$ 14,210,391	$ 12,800,136	$ 11,863,530	$ 11,327,212	$ 11,003,102
6,144,599	6,906,981	6,787,149	6,980,793	8,395,981	8,372,725
(1,545,164)	(94,742)	1,623,550	1,285,288	(2,993,220)	(4,015,631)
$ 19,508,306	$ 21,022,630	$ 21,210,835	$ 20,129,611	$ 16,729,973	$ 15,360,196

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2014	2013	2012	2011
EXPENSES				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	$ 4,675,822	$ 4,607,483	$ 5,308,576	$ 6,497,216
CULTURE, RECREATION, AND TOURISM	98,784	99,582	92,741	110,078
TRANSPORTATION AND DEVELOPMENT	1,542,225	1,312,998	1,500,182	1,370,238
PUBLIC SAFETY	347,473	336,143	326,627	337,149
HEALTH AND WELFARE	10,208,763	10,071,069	9,769,203	9,335,925
CORRECTIONS	639,414	657,028	633,544	671,436
YOUTH SERVICES	108,772	106,779	116,791	134,274
CONSERVATION AND ENVIRONMENT	354,087	343,487	364,234	372,703
EDUCATION	6,382,964	6,705,462	6,614,109	6,602,774
OTHER	26,599	29,369	25,407	49,174
INTERGOVERNMENTAL	586,420	515,763	505,680	430,763
INTEREST ON LONG-TERM DEBT	305,101	305,746	332,586	284,395
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	25,276,424	25,090,909	25,589,680	26,196,125
BUSINESS-TYPE ACTIVITIES:				
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM	491,101	492,782	--	--
PATIENT'S COMPENSATION FUND OVERSIGHT BOARD	--	--	--	126,324
UNEMPLOYMENT TRUST FUND	218,744	339,852	537,217	761,747
NONMAJOR ENTERPRISE FUNDS	122,203	113,017	107,503	123,340
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	832,048	945,651	644,720	1,011,411
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 26,108,472	$ 26,036,560	$ 26,234,400	$ 27,207,536
PROGRAM REVENUES				
GOVERNMENTAL ACTIVITIES:				
CHARGES FOR SERVICES				
GENERAL GOVERNMENT	$ 2,044,842	$ 2,178,896	$ 1,579,216	$ 1,906,708
CULTURE, RECREATION, AND TOURISM	11,678	11,576	11,246	10,932
TRANSPORTATION AND DEVELOPMENT	34,254	63,437	122,485	88,817
PUBLIC SAFETY	277,384	310,738	323,089	279,280
HEALTH AND WELFARE	440,330	276,815	274,054	208,998
CORRECTIONS	40,809	43,518	40,780	39,958
YOUTH SERVICES	438	793	2,789	1,490
CONSERVATION AND ENVIRONMENT	740,512	812,599	757,891	966,275
EDUCATION	60,397	37,810	38,915	5,518
INTERGOVERNMENTAL	1,812	1,678	1,471	1,733
OPERATING GRANTS AND CONTRIBUTIONS	10,475,760	10,308,201	11,707,327	11,390,940
CAPITAL GRANTS AND CONTRIBUTIONS	637,078	1,049,293	1,076,896	2,403,996
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	14,765,294	15,095,354	15,936,159	17,304,645

* GASB 63 replaced Net Assets with Net Position.

Source: Office of Statewide Reporting and Accounting Policy

(Continued)

2010	2009	2008	2007	2006	2005
$ 5,896,826	$ 6,972,403	$ 8,693,766	$ 7,492,929	$ 4,806,262	$ 2,655,471
86,845	122,928	148,178	100,246	66,927	69,415
1,111,846	1,286,404	1,052,169	889,606	1,054,044	835,901
349,369	371,326	331,086	337,962	301,338	271,118
10,248,151	9,671,816	8,615,435	7,626,096	7,412,815	7,458,289
686,957	727,095	649,858	540,284	550,627	664,961
152,562	170,678	165,840	121,335	116,975	--
595,690	499,648	439,009	331,891	283,692	297,097
6,599,451	7,136,960	6,871,321	6,085,878	5,514,318	5,310,194
45,821	66,424	43,217	40,008	26,251	33,833
398,377	485,875	540,505	182,741	1,037,043	375,373
299,326	304,763	297,201	296,223	230,976	216,750
26,471,221	27,816,320	27,847,585	24,045,199	21,401,268	18,188,402
--	--	--	--	--	--
160,427	--	--	--	--	--
985,779	455,910	189,095	185,308	823,987	264,458
344,750	335,166	333,801	307,483	298,879	274,268
1,490,956	791,076	522,896	492,791	1,122,866	538,726
$ 27,962,177	$ 28,607,396	$ 28,370,481	$ 24,537,990	$ 22,524,134	$ 18,727,128
$ 1,962,589	$ 2,029,900	$ 2,063,639	$ 2,116,712	$ 2,017,870	$ 1,905,839
17,281	8,984	33,232	34,932	30,531	29,145
70,665	230,874	222,756	197,283	79,099	136,642
280,500	303,813	306,615	273,481	276,020	271,052
295,799	215,112	278,254	266,603	187,920	305,674
38,520	39,018	32,553	41,657	33,926	33,407
--	7,827	584	1,073	513	--
688,756	905,157	1,046,365	841,171	653,286	647,685
60,329	41,544	31,158	30,058	49,735	39,783
1,425	1,244	1,246	1,027	954	1,396
11,138,352	11,068,209	8,848,637	8,962,433	9,323,509	7,052,411
2,526,649	3,010,693	5,405,015	3,964,479	978,072	520,376
17,080,865	17,862,375	18,270,054	16,730,909	13,631,435	10,943,410

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2014	2013	2012	2011
BUSINESS-TYPE ACTIVITIES:				
CHARGES FOR SERVICES				
LOUISIANA COMMUNITY AND TECHNICAL				
COLLEGE SYSTEM	113,895	107,259	--	--
PATIENT'S COMPENSATION FUND OVERSIGHT BOARD	--	--	--	187,259
UNEMPLOYMENT TRUST FUND	262,738	284,229	266,907	281,951
NONMAJOR ENTERPRISE FUNDS	98,852	97,629	95,016	98,066
OPERATING GRANTS AND CONTRIBUTIONS	96,002	162,789	212,490	376,724
CAPITAL GRANTS AND CONTRIBUTIONS	61,802	82,395	49,127	107,519
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES	633,289	734,301	623,540	1,051,519
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 15,398,583	$ 15,829,655	$ 16,559,699	$ 18,356,164
NET (EXPENSE) REVENUE				
GOVERNMENTAL ACTIVITIES	$ (10,511,130)	$ (9,995,555)	$ (9,653,521)	$ (8,891,480)
BUSINESS-TYPE ACTIVITIES	(198,759)	(211,350)	(21,180)	40,108
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	$ (10,709,889)	$ (10,206,905)	$ (9,674,701)	$ (8,851,372)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
GOVERNMENTAL ACTIVITIES:				
INCOME TAXES	$ 3,038,101	$ 2,903,025	$ 2,876,011	$ 2,665,804
SALES TAXES	2,969,835	2,858,889	2,860,313	2,821,598
SEVERANCE TAXES	837,130	840,966	850,685	748,355
GASOLINE TAXES, restricted for transportation	613,917	619,379	596,052	639,452
TOBACCO TAXES	129,338	123,497	133,194	142,064
MISCELLANEOUS TAXES	944,450	809,783	726,074	645,990
TOBACCO SETTLEMENT, restricted for education, health and welfare	123,828	226,328	146,620	140,978
GAMING	846,045	835,470	828,010	823,418
UNRESTRICTED INVESTMENT EARNINGS (LOSS)	17,429	(23,149)	(80,613)	(4,208)
MISCELLANEOUS	--	3,303	3,548	3,123
OTHER	302	10,838	7,032	7,950
EXTRAORDINARY ITEM - loss on impairment of capital assets	--	--	--	--
ADDITIONS TO PERMANENT ENDOWMENTS	66,205	--	--	--
TRANSFERS	(122,171)	(115,210)	77,050	1,609
TOTAL GOVERNMENTAL ACTIVITIES	9,464,409	9,093,119	9,023,976	8,636,133
BUSINESS-TYPE ACTIVITIES:				
OTHER	118,928	153,590	3,739	14,483
EXTRAORDINARY ITEM - gain (loss) on impairment of capital assets	--	--	--	--
TRANSFERS	122,171	115,210	(77,050)	(1,609)
TOTAL BUSINESS-TYPE ACTIVITIES	241,099	268,800	(73,311)	12,874
TOTAL PRIMARY GOVERNMENT	$ 9,705,508	$ 9,361,919	$ 8,950,665	$ 8,649,007
CHANGE IN NET POSITION *				
GOVERNMENTAL ACTIVITIES	$ (1,046,721)	$ (902,436)	$ (629,545)	$ (255,347)
BUSINESS-TYPE ACTIVITIES	42,340	57,450	(94,491)	52,982
TOTAL PRIMARY GOVERNMENT	$ (1,004,381)	$ (844,986)	$ (724,036)	$ (202,365)

* GASB 63 replaced Net Assets with Net Position.

(Concluded)

2010	2009	2008	2007	2006	2005
--	--	--	--	--	--
183,576	--	--	--	--	--
245,023	227,260	237,406	249,631	264,349	267,602
465,146	475,022	468,369	447,678	422,489	385,309
412,463	99,339	2,695	3,800	419,438	7,104
68,045	86,934	41,003	19,355	16,588	21,188
1,374,253	888,555	749,473	720,464	1,122,864	681,203
$ 18,455,118	$ 18,750,930	$ 19,019,527	$ 17,451,373	$ 14,754,299	$ 11,624,613
$ (9,390,356)	$ (9,953,945)	$ (9,577,531)	$ (7,314,290)	$ (7,769,833)	$ (7,244,992)
(116,703)	97,479	226,577	227,673	(2)	142,477
$ (9,507,059)	$ (9,856,466)	$ (9,350,954)	$ (7,086,617)	$ (7,769,835)	$ (7,102,515)
$ 2,491,144	$ 3,630,547	$ 3,869,834	$ 4,140,496	$ 3,129,906	$ 3,030,085
2,560,775	3,016,254	3,147,604	3,059,073	3,108,824	2,483,101
776,464	876,579	1,095,244	916,125	714,279	681,836
624,554	599,192	604,683	617,498	621,683	590,286
135,927	105,469	96,314	104,051	96,872	105,476
657,962	762,360	806,213	820,904	660,619	689,039
142,279	71,966	64,294	61,016	50,102	57,249
668,235	715,443	742,518	726,165	711,378	624,271
(9,301)	(12,169)	(3,601)	6,071	25,739	4,127
338	330	310	6,105	--	8,940
6,873	134,502	141,410	13,337	23,924	14,148
--	(2,406)	--	--	(24,464)	--
--	--	--	--	--	--
141,615	142,066	132,219	(270,126)	119,977	108,582
8,196,865	10,040,133	10,697,042	10,200,715	9,238,839	8,397,140
21,732	7,450	12,784	9,568	13,505	3,232
--	--	--	--	186	--
(141,615)	(142,066)	(132,219)	270,126	(119,977)	(108,582)
(119,883)	(134,616)	(119,435)	279,694	(106,286)	(105,350)
$ 8,076,982	$ 9,905,517	$ 10,577,607	$ 10,480,409	$ 9,132,553	$ 8,291,790
$ (1,193,491)	$ 86,188	$ 1,119,511	$ 2,886,425	$ 1,469,006	$ 1,152,148
(236,586)	(37,137)	107,142	507,367	(106,288)	37,127
$ (1,430,077)	$ 49,051	$ 1,226,653	$ 3,393,792	$ 1,362,718	$ 1,189,275

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2014	2013	2012	2011
GENERAL FUND (per GASB 54) *				
NONSPENDABLE	$ 111,497	$ 73,780	$ 70,707	$ 76,273
RESTRICTED	1,479,562	1,270,682	1,405,987	1,439,257
COMMITTED	1,320,903	1,608,089	1,809,517	2,073,954
ASSIGNED	190,400	224,672	223,490	234,052
UNASSIGNED	62,574	36,529	127,508	111,769
GENERAL FUND (prior GASB 54) **				
RESERVED	--	--	--	--
UNRESERVED	--	--	--	--
TOTAL GENERAL FUND	$ 3,164,936	$ 3,213,752	$ 3,637,209	$ 3,935,305
ALL OTHER GOVERNMENTAL FUNDS (per GASB 54) *				
NONSPENDABLE	$ 2,577,930	$ 2,511,725	$ 2,466,207	$ 2,479,800
RESTRICTED	820,023	804,512	932,411	1,056,686
COMMITTED	444,094	342,924	508,847	697,635
ALL OTHER GOVERNMENTAL FUNDS (prior GASB 54) **				
RESERVED	--	--	--	--
UNRESERVED, REPORTED IN:				
SPECIAL REVENUE FUNDS	--	--	--	--
DEBT SERVICE FUNDS	--	--	--	--
CAPITAL PROJECTS FUNDS	--	--	--	--
PERMANENT FUNDS	--	--	--	--
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 3,842,047	$ 3,659,161	$ 3,907,465	$ 4,234,121

* With the implementation of GASB 54 in FY 2011, fund balances are reclassifed as Nonspendable, Restricted, Committed, Assigned, and Unassigned.

** Prior to FY 2011 and GASB 54, fund balances were classified as Reserved or Unreserved according to GASB 34.

Source: Office of Statewide Reporting and Accounting Policy

2010	2009	2008	2007	2006	2005
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
1,013,749	856,166	790,670	620,540	340,384	312,266
(49,333)	802,611	840,256	1,157,981	442,346	264,185
$ 964,416	$ 1,658,777	$ 1,630,926	$ 1,778,521	$ 782,730	$ 576,451
$ --	$ --	$ --	$ --	$ --	$ --
--	--	--	--	--	--
--	--	--	--	--	--
3,048,357	3,136,568	3,948,806	4,653,805	2,250,615	2,744,131
3,586,804	4,447,259	4,634,052	4,256,788	3,383,163	2,880,995
614	1,534	8,645	1,399	--	--
243	636	849	383	21	157
1,431,269	1,369,402	1,309,646	1,258,805	1,209,392	1,207,338
$ 8,067,287	$ 8,955,399	$ 9,901,998	$ 10,171,180	$ 6,843,191	$ 6,832,621

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(EXPRESSED IN THOUSANDS)

	2014	2013	2012	2011
REVENUES				
INTERGOVERNMENTAL REVENUES	$ 11,553,209	$ 11,543,881	$ 12,930,021	$ 13,823,449
TAXES	8,692,410	8,152,282	7,927,305	7,668,449
GAMING	848,880	838,500	831,227	810,424
TOBACCO SETTLEMENT	140,296	210,625	141,240	138,518
USE OF MONEY AND PROPERTY	915,701	683,994	844,927	925,682
LICENSES, PERMITS, AND FEES	897,489	886,465	911,723	775,640
SALES OF COMMODITIES AND SERVICES	863,538	876,564	948,106	916,938
POLLUTION REMEDIATION SETTLEMENT	44,785	87,519	13,996	258,631
OTHER	606,387	688,113	265,458	308,458
TOTAL REVENUES	24,562,695	23,967,943	24,814,003	25,626,189
EXPENDITURES				
GENERAL GOVERNMENT	4,394,827	4,065,713	4,827,035	5,764,484
CULTURE, RECREATION, AND TOURISM	83,803	86,857	91,934	82,009
TRANSPORTATION AND DEVELOPMENT	461,917	438,779	455,333	428,301
PUBLIC SAFETY	312,080	312,227	308,651	306,984
HEALTH AND WELFARE	10,174,503	10,006,567	9,884,320	9,671,602
CORRECTIONS	597,220	627,148	601,057	620,948
YOUTH SERVICES	103,472	98,823	110,992	125,651
CONSERVATION AND ENVIRONMENT	240,356	275,245	247,954	259,065
EDUCATION	6,128,360	6,334,414	6,312,152	6,293,778
OTHER	55	20,884	15,840	70,541
INTERGOVERNMENTAL	586,420	515,763	505,680	488,336
CAPITAL OUTLAY	1,596,212	1,843,811	2,000,974	2,502,456
DEBT SERVICE:				
PRINCIPAL RETIREMENT	1,188,276	329,643	281,575	273,765
INTEREST	324,349	315,377	317,271	304,065
OTHER	41,271	--	--	--
TOTAL EXPENDITURES	26,233,121	25,271,251	25,960,768	27,191,985
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,670,426)	(1,303,308)	(1,146,765)	(1,565,796)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	14,839,157	14,021,497	13,395,676	13,135,572
TRANSFERS OUT	(14,929,078)	(14,121,707)	(13,318,829)	(13,133,963)
BONDS ISSUED	821,190	385,400	1,814,570	1,169,445
PREMIUMS ON BONDS ISSUED	72,385	58,825	253,845	115,999
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	(645,040)	(1,596,172)	(528,128)
REFUNDING BONDS ISSUED	841,145	633,980	--	--
PREMIUMS ON REFUNDING BONDS ISSUED	45,135	--	--	--
INSURANCE RECOVERY	24,898	221,489	--	--
OTHER	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	1,714,832	554,444	549,090	758,925
NET CHANGES IN FUND BALANCES	$ 44,406	$ (748,864)	$ (597,675)	$ (806,871)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	6.3%	2.8%	2.5%	2.4%

Source: Office of Statewide Reporting and Accounting Policy

2010	2009	2008	2007	2006	2005
$ 13,469,624	$ 14,053,062	$ 14,192,359	$ 13,389,561	$ 9,727,962	$ 7,669,450
7,462,892	8,936,444	9,575,194	9,655,262	8,118,548	7,618,194
671,527	719,530	746,993	730,812	715,446	628,757
146,841	175,503	160,626	138,124	131,952	142,794
1,007,980	1,163,356	1,516,763	1,242,707	710,240	849,292
633,600	637,350	629,226	604,204	588,034	592,363
933,549	1,073,318	1,067,478	1,074,537	1,320,721	983,254
--	--	--	--	--	--
706,121	547,335	542,653	587,956	437,717	576,553
25,032,134	27,305,898	28,431,292	27,423,163	21,750,620	19,060,657
4,911,766	6,435,832	8,172,304	6,473,720	4,373,467	2,300,964
71,088	97,709	129,615	92,220	61,264	64,548
424,007	438,634	433,359	385,408	350,486	356,665
296,083	305,054	290,245	321,763	303,951	272,785
9,497,394	9,372,783	8,330,132	7,564,017	7,386,464	7,408,900
612,723	666,542	606,876	535,772	542,143	651,974
138,506	154,821	155,475	120,926	115,369	--
463,913	368,850	324,512	274,861	235,235	244,059
6,319,886	6,713,924	6,587,432	5,940,907	5,253,731	5,077,793
273,669	263,915	296,703	264,145	211,181	220,012
491,143	584,944	674,639	572,363	850,151	477,374
2,384,130	2,941,236	2,254,867	1,696,915	1,621,367	1,184,140
268,705	266,108	233,460	214,559	131,835	212,956
299,609	305,184	297,543	296,431	231,146	216,152
--	--	--	--	--	--
26,452,622	28,915,536	28,787,162	24,754,007	21,667,790	18,688,322
(1,420,488)	(1,609,638)	(355,870)	2,669,156	82,830	372,335
17,218,705	18,247,948	20,460,820	20,778,329	17,110,073	14,846,799
(17,077,090)	(18,105,772)	(20,328,601)	(21,048,455)	(16,990,096)	(14,735,078)
399,019	424,026	74,129	1,927,456	--	1,807,149
--	--	--	--	--	--
(125,997)	--	(71,593)	--	--	(710,543)
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	3,585	11,081	4,681	4,534	(58,430)
414,637	569,787	145,836	1,662,011	124,511	1,149,897
$ (1,005,851)	$ (1,039,851)	$ (210,034)	$ 4,331,167	$ 207,341	$ 1,522,232
2.5%	2.3%	2.1%	2.3%	1.9%	2.5%

State of Louisiana

INDIVIDUAL INCOME TAX
(by adjusted gross income bracket)
LAST EIGHT FISCAL YEARS

FISCAL YEAR 2013

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	7,843	0.38%	$ 496,698	0.02%
$0	72,786	3.51%	520,046	0.02%
$1 - 25,000	762,108	36.71%	109,414,235	4.19%
$25,001 - 50,000	482,484	23.24%	326,181,219	12.49%
$50,001 - 75,000	272,110	13.11%	340,680,470	13.05%
$75,001 - 100,000	173,014	8.33%	324,573,105	12.43%
$100,001 - 200,000	223,791	10.78%	690,480,649	26.45%
GREATER THAN $200,000	81,757	3.94%	818,468,588	31.35%
TOTALS	2,075,893	100.00%	$ 2,610,815,010	100.00%

FISCAL YEAR 2012

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	10,623	0.51%	$ 409,631	0.02%
$0	96,253	4.62%	873,373	0.03%
$1 - 25,000	765,855	36.71%	110,999,615	4.40%
$25,001 - 50,000	485,511	23.27%	327,227,612	12.97%
$50,001 - 75,000	271,278	13.00%	339,429,023	13.46%
$75,001 - 100,000	170,533	8.18%	321,449,617	12.74%
$100,001 - 200,000	211,191	10.12%	647,777,431	25.68%
GREATER THAN $200,000	74,931	3.59%	774,484,609	30.70%
TOTALS	2,086,175	100.00%	$ 2,522,650,911	100.00%

FISCAL YEAR 2011

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	8,738	0.42%	$ 92,453	0.00%
$0	100,398	4.86%	1,006,349	0.04%
$1 - 25,000	757,376	36.68%	111,535,118	4.45%
$25,001 - 50,000	489,950	23.73%	333,260,114	13.30%
$50,001 - 75,000	271,009	13.12%	343,648,035	13.72%
$75,001 - 100,000	168,833	8.18%	323,064,252	12.89%
$100,001 - 200,000	199,537	9.66%	616,660,125	24.61%
GREATER THAN $200,000	69,137	3.35%	776,510,880	30.99%
TOTALS	2,064,978	100.00%	$ 2,505,777,326	100.00%

FISCAL YEAR 2010

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	7,651	0.38%	$ 110,127	0.00%
$0	104,399	5.12%	5,196,829	0.20%
$1 - 25,000	755,861	37.07%	109,180,282	4.24%
$25,001 - 50,000	484,343	23.75%	330,222,000	12.82%
$50,001 - 75,000	267,195	13.10%	342,076,594	13.29%
$75,001 - 100,000	164,539	8.07%	320,572,328	12.45%
GREATER THAN $100,000	255,282	12.51%	1,468,034,921	57.00%
TOTALS	2,039,270	100.00%	$ 2,575,393,081	100.00%

Note: Ten years are required; however, only eight fiscal years since the publication of information.

Source: Louisiana Department of Revenue and Taxation

FISCAL YEAR 2009

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	7,023	0.35%	$ 92,927	0.00%
$0	90,927	4.58%	2,792,336	0.09%
$1 - 25,000	752,959	37.89%	108,193,148	3.67%
$25,001 - 50,000	463,147	23.30%	358,010,146	12.13%
$50,001 - 75,000	258,947	13.03%	389,736,911	13.21%
$75,001 - 100,000	160,734	8.09%	378,927,045	12.84%
GREATER THAN $100,000	253,658	12.76%	1,713,765,336	58.06%
TOTALS	1,987,395	100.00%	$ 2,951,517,849	100.00%

FISCAL YEAR 2008

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	6,413	0.32%	$ 206,752	0.00%
$0	96,901	4.87%	1,469,695	0.05%
$1 - 25,000	777,344	39.08%	109,120,876	3.76%
$25,001 - 50,000	462,103	23.24%	357,596,517	12.31%
$50,001 - 75,000	255,880	12.87%	389,125,059	13.39%
$75,001 - 100,000	155,809	7.83%	373,887,537	12.87%
GREATER THAN $100,000	234,532	11.79%	1,674,295,571	57.62%
TOTALS	1,988,982	100.00%	$ 2,905,702,007	100.00%

FISCAL YEAR 2007

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	8,489	0.44%	$ 156,734	0.01%
$0	91,391	4.73%	866,990	0.03%
$1 - 25,000	785,245	40.67%	110,039,043	4.16%
$25,001 - 50,000	445,197	23.06%	355,021,171	13.42%
$50,001 - 75,000	247,248	12.80%	394,310,036	14.90%
$75,001 - 100,000	147,899	7.66%	375,040,772	14.17%
GREATER THAN $100,000	205,478	10.64%	1,410,540,689	53.31%
TOTALS	1,930,947	100.00%	$ 2,645,975,435	100.00%

FISCAL YEAR 2006

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS	PERCENT OF TOTAL	TAX LIABILITY	PERCENT OF TOTAL
LESS THAN $0	3,179	0.19%	$ --	0.00%
$0	49,542	3.02%	630,088	0.03%
$1 - 25,000	743,561	45.34%	100,690,392	5.44%
$25,001 - 50,000	386,812	23.59%	302,996,392	16.36%
$50,001 - 75,000	204,678	12.48%	320,256,923	17.30%
$75,001 - 100,000	114,525	6.98%	286,814,171	15.49%
GREATER THAN $100,000	137,531	8.40%	840,351,278	45.38%
TOTALS	1,639,828	100.00%	$ 1,851,739,244	100.00%

State of Louisiana

TAX RATE BY MAJOR SOURCES OF REVENUE

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
Alcoholic Beverage Taxes		
Beer Tax	Department of Revenue	$10 per 31-gallon barrel. This includes all alcoholic beverages with alcohol content of 6% or less and malt beverages with alcohol content more than 6%.
Liquor and Wine Tax	Department of Revenue	$0.66 per liter on liquor; $0.42 per liter on sparkling wine and still wines with alcoholic content more than 24%; $0.03 per liter on still wine with alcoholic content not more than 14%; $0.06 per liter on still wine with alcoholic content over 14% but not more than 24%.
Corporation Franchise Tax	Department of Revenue	The tax is currently assessed on the taxable base at the rate of $1.50 per $1,000 on the first $300,000 and $3.00 per $1,000 over $300,000. The minimum tax of $10 per year was repealed effective for franchise taxable period beginning on or after January 1, 2010.
Gasoline Tax	Department of Revenue	$0.20 per gallon. Petroleum Products Testing Fee – the fee for testing the quality and quantity of petroleum products is 4/32 cent per gallon.
Hazardous Waste Disposal Tax	Department of Revenue	$30 per dry-weight ton for waste disposed of on-site, $40 per dry-weight ton for waste disposed of off-site from where generated, and $100 per dry-weight ton on extremely hazardous waste disposed of in Louisiana.
Income Tax		
Corporate Income Tax	Department of Revenue	4% on the first $25,000 of net taxable income; 5% on the next $25,000; 6% on the next $50,000; 7% on the next $100,000; and 8% on all net taxable income in excess of $200,000.
Individual Income Tax	Department of Revenue	For taxable periods beginning after December 31, 2008, the rate of tax for taxpayers filing as single, married filing separately, or head of household is: 2% on the first $12,500; 4% on the next $37,500, and 6% on the taxable income above $50,000. Married persons filing a joint return or qualifying surviving spouse are taxed at the following rates: 2% on the first $25,000; 4% on the next $75,000; and 6% on the taxable income above $100,000. The combined personal exemption and standard deduction is $4,500 for single individuals and married persons filing separately; $9,000 for married couples filing jointly, qualified surviving spouses, and heads of households. A dependency deduction of $1,000 is allowed for each dependent, each taxpayer and/or spouse who is 65 years of age or older, and for each taxpayer and/or spouse who is blind.
Inheritance Tax	Department of Revenue	Inheritance tax was repealed effective January 1, 2010. However, Act 822 of 2008, effective January 1, 2008, provides that inheritance taxes shall prescribe within three years from December 31st of the year in which the taxes become due. For deaths before July 1, 2004, the date the taxes become due is determined by whether an inheritance tax return has been filed. If a return has been filed, the taxes become due nine months following death. But under Act 822, if a return was not filed, taxes become due January 1, 2008, and will prescribe January 1, 2011. For those deaths occurring before July 1, 2004, for which a return has been filed, the rates are as follows: A. Inheritances of a surviving spouse are totally exempt from the tax. B. Inheritances are taxed on all amounts that exceed the following exemption per heir or legatee: Class A (lineal descendants and ascendants), $25,000; Class B (collateral relationships such as brothers and sisters and their descendants), $1,000; Class C (nonrelated), $500. The tax rate for Class A is two percent of the first $20,000 of taxable value and three percent of amounts over $20,000 of taxable value. Class B is taxed at five percent of the first $20,000 of taxable value and at seven percent of amounts over $20,000 of taxable value. Class C is taxed at five percent of the first $5,000 of taxable value and at 10 percent of amounts over $5,000 of taxable value. C. For deaths occurring after June 30, 1998 and before July 1, 2001, the tax rates were reduced by eighteen percent; for deaths occurring after June 20, 2001, and before July 1, 2002, the tax rates were reduced by forty percent; for deaths occurring after June 30, 2002 and before July 1, 2003, the tax rates were reduced by sixty percent; for deaths occurring after June 30, 2003, and before July 1, 2004, the tax rates were reduced by eighty percent; and for deaths occurring after June 30, 2004, the tax shall not apply when judgment of possessions is rendered or when the succession is judicially opened no later than the last day of the ninth month following the death of the decedent.
Insurance Excise License Tax	Department of Insurance	A. The tax rate for life, accident, health and service is $140 for annual premiums up to $7,000 and $225 for each additional $10,000 or fraction thereof. B. The rate for fire, marine, transportation and casualty and surety is $185 for annual premiums up to $6,000 and $300 for each additional $10,000 or fraction thereof.

TAX TYPE	COLLECTION UNIT	RATE/DESCRIPTION
Mineral Resources - Royalties and Bonuses	Department of Natural Resources	These are not taxes. However, all oil and gas leases provide for a bonus, which is bid on at the time the lease is given. Leasehold payments, such as "delay rentals," "in-lieu royalty," and "deferred development" payments are also provided for in the lease. Annual rentals cannot, by statutory law, be less than one-half the cash bonus amount. Royalty which is bid on at the lease sale cannot, by statutory law, be less than 1/8th of the value of production. Mineral leases for solid mineral, such as sulfur, potash, salt, or lignite, provide for a royalty based on tonnage production at a market price paid per ton.
Motor Vehicle - Licenses and Fees	Department of Public Safety	A. (1) For each passenger-carrying automobile, van, low-speed vehicle as defined in R.S. 32:1(40), or other motor vehicle carrying only persons and their personal effects exclusively, not meeting the requirements of R.S. 47:463.5 or using or operating upon rails or upon permanent tracks and operated only for private use, an annual registration license shall be collected each two years in advance in amounts fixed by the following schedule: (a) For an automobile having an actual value of ten thousand dollars or less, the annual license tax shall be ten dollars. (b) For an automobile having an actual value of greater than ten thousand dollars, the annual license tax shall be the base tax of ten dollars plus an additional tax of one dollar per each one thousand dollars of actual value above ten thousand dollars. In addition, truck fees are established in La. R.S. 47:462. The max weight a truck can be registered for is 88,000 lbs at a rate of $563.20 annually. B. Driver's license fees range from $13.50 to $36.00 for four years for drivers of private vehicles. Other driver's license fees may vary. C. A fee not to exceed $3 per service or transaction, at a local field office, enacted by LRS 32:429, is used solely to defray cost of operations of that office not fully funded by the State.
Natural Gas Franchise	Department of Revenue	1% of the gross receipts from the operation of franchises or charters in the State.
Sales Tax	Department of Revenue	4% sales tax is collected on the sale, use, consumption, distribution, or storage for use or consumption of any tangible personal property, on retail sales, leases, and rentals, and on certain sales of services including repairs of tangible personal property; 3% aggregate sales tax is collected on intrastate telecommunications and certain prepaid telephone services; effective April 1, 2004, the sales tax rate on interstate telecommunication services was reduced to 2%. Many statutory exemptions are partially suspended and are currently taxed at the suspended rate of 1%.
Severance Tax	Department of Revenue	A. The tax on oil/condensate is based on the value. The full rate of oil/condensate is 12.5% of the value. The incapable oil rate is 6.25% of the value. The stripper oil rate is 3.125% of the value. Stripper oil is exempt as long as the average value is less than $20 per barrel. B. The severance tax on natural gas is based on per thousand cubic feet. The full rate is adjusted annually on July 1, and may never be less than 7 cents per thousand cubic feet. As of July 1, 2012, the full rate is $0.148 per thousand cubic feet at 15.025 pounds per square inch absolute. The rate on incapable oil well gas is $0.03 per thousand cubic feet. The rate on incapable gas well gas is $0.013 per thousand cubic feet. C. The tax rate on sulfur is $1.03 per long-ton (2,240 pounds). D. The tax rate on salt is $0.06 per ton. E. The tax rates on timber are 2.25% of stumpage value and 5% of stumpage value of pulpwood. F. The tax rate on shell and sand is $0.06 per ton. G. The tax rate on stone is $0.03 per ton. H. The tax rate on lignite is $0.12 per ton. I. The tax rate on marble is $0.20 per ton.
Special Fuels Tax	Department of Revenue	The tax on special fuels is levied at a rate of $0.20 per gallon on motor fuels other than gasoline. It is subject to the Petroleum Products Tesing Fee of 4/32 cents per gallon effective September 1, 2003.
Surface Mining and Reclamation Fee	Department of Revenue	The fee on coal and lignite mined in Louisiana is $0.08 per ton.
Tobacco Tax	Department of Revenue	An excise tax is imposed on the first dealer who handles a tobacco product in the State. Cigars invoiced up to $120 per thousand are taxed at 8% of the manufacturer's net invoice price, whereas cigars invoiced over $120 per thousand are taxed at 20% on the net invoice price. The tax rate on smoking tobacco is computed at 33% of the invoice price to wholesalers. The tax rate on smokeless tobacco is 20% of the invoice price. The tax rate on cigarettes is $0.018 per cigarette.
Transportation and Communications Utilities Tax	Department of Revenue	2% of the gross receipts from intrastate business.

State of Louisiana

PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY
LAST TEN CALENDAR YEARS

(EXPRESSED IN THOUSANDS)

	2013	2011	2010	2009	2008
PRIVATE EARNINGS:					
HEALTH CARE AND SOCIAL ASSISTANCE	$ 14,207,471	$ 13,837,762	$ 13,699,150	$ 13,029,493	$ 12,247,791
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	9,378,961	8,925,518	8,730,072	8,339,346	8,156,865
MINING	7,757,339	7,882,683	6,124,611	5,096,485	7,222,814
CONSTRUCTION	11,833,726	10,995,566	10,191,916	9,561,405	9,552,079
RETAIL TRADE	8,576,112	8,244,257	8,087,269	7,770,214	7,326,500
TRANSPORTATION AND WAREHOUSING	6,912,864	6,359,258	6,559,286	6,016,411	5,625,326
MANUFACTURING - DURABLE GOODS	5,559,024	5,438,151	5,257,344	4,825,233	4,996,495
MANUFACTURING - NONDURABLE GOODS	7,351,905	7,528,374	7,380,719	6,758,768	6,501,021
WHOLESALE TRADE	5,849,153	5,666,896	5,479,840	5,157,434	5,065,263
FARM	1,673,965	1,575,546	953,157	836,006	833,800
FINANCE AND INSURANCE	5,093,069	4,714,445	4,981,990	4,557,147	4,294,107
OTHER SERVICES	27,287,269	25,601,221	24,239,200	23,239,428	22,324,192
GOVERNMENT AND GOVERNMENT ENTERPRISES:					
FEDERAL, CIVILIAN	2,869,756	2,912,019	3,199,357	3,208,297	3,139,003
MILITARY	2,356,097	2,426,059	3,187,955	3,093,552	2,733,951
STATE AND LOCAL	18,060,939	18,623,299	17,587,770	18,095,539	17,656,744
TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY	$ 134,767,650	$ 130,731,054	$ 125,659,636	$ 119,584,758	$ 117,675,951

	2008	2007	2006	2005	2004
PRIVATE EARNINGS:					
HEALTH CARE AND SOCIAL ASSISTANCE	$ 11,635,605	$ 10,858,334	$ 10,115,201	$ 9,926,712	$ 9,767,492
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL	8,312,362	7,486,155	6,826,905	6,097,803	5,906,916
MINING	8,119,855	5,787,667	5,864,975	4,754,011	4,417,549
CONSTRUCTION	9,993,692	9,508,852	8,740,509	7,286,484	6,865,235
RETAIL TRADE	7,535,722	7,744,462	7,546,051	6,953,141	6,714,091
TRANSPORTATION AND WAREHOUSING	5,920,279	5,550,298	5,101,352	4,635,696	4,398,190
MANUFACTURING - DURABLE GOODS	5,468,365	5,408,224	4,985,639	4,493,627	4,430,189
MANUFACTURING - NONDURABLE GOODS	6,494,728	6,054,758	6,045,464	5,799,226	5,691,485
WHOLESALE TRADE	5,318,695	5,154,869	4,809,101	4,438,826	4,249,075
FARM	786,867	828,479	721,221	713,911	822,360
FINANCE AND INSURANCE	4,399,740	4,402,229	4,242,098	4,138,379	3,849,657
OTHER SERVICES	22,951,905	21,884,804	20,469,294	19,753,321	19,154,051
GOVERNMENT AND GOVERNMENT ENTERPRISES:					
FEDERAL, CIVILIAN	3,055,825	2,910,690	2,900,953	2,871,868	2,766,813
MILITARY	2,553,824	2,346,169	2,233,770	2,354,746	2,166,326
STATE AND LOCAL	17,068,069	15,547,958	14,279,615	14,463,357	13,811,689
TOTAL PERSONAL INCOME - EARNINGS BY MAJOR INDUSTRY	$ 119,615,533	$ 111,473,948	$ 104,882,148	$ 98,681,108	$ 95,011,118

Source: Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT PERCENTAGE OF PERSONAL INCOME AND TOTAL DEBT PER CAPITA)

	GOVERNMENTAL ACTIVITIES				
FISCAL YEAR	GENERAL OBLIGATION BONDS (1)	TOTAL GENERAL OBLIGATION PER CAPITA **	TIMED AND STATE HIGHWAY IMPROVEMENT BONDS	TOBACCO SETTLEMENT FINANCING CORPORATION	OTHER (2)
2014	$ 4,223,157	$ *	$ 5,736,939	$ 1,101,290	$ 487,092
2013	3,838,301	830	5,554,414	1,837,083	689,595
2012	3,689,767	802	5,634,181	2,049,027	719,959
2011	3,449,859	754	5,884,637	2,178,345	787,416
2010	3,667,101	807	5,138,234	1,173,903	863,655
2009	3,691,879	822	4,958,754	1,264,174	945,415
2008	3,563,209	808	4,060,540	1,373,742	567,074
2007	3,844,626	896	4,158,092	1,476,119	595,095
2006	2,844,454	663	1,568,930	1,563,849	645,077
2005	3,033,297	670	1,612,998	1,648,561	686,239

	BUSINESS-TYPE ACTIVITIES				
FISCAL YEAR	OTHER (3)	LOUISIANA TRANSPORTATION AUTHORITY	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	TOTAL DEBT PER CAPITA** (4)
2014	$ 477,428	$ 281,439	$ 12,307,345	* %	$ *
2013	509,462	325,344	12,754,199	9.46	2,758
2012	--	328,604	12,421,538	9.50	2,699
2011	--	330,758	12,631,015	10.05	2,761
2010	--	335,609	11,178,502	9.35	2,460
2009	--	251,041	11,111,263	9.44	2,474
2008	--	257,665	9,822,230	8.21	2,227
2007	--	267,600	10,341,532	9.28	2,409
2006	--	274,224	6,896,534	6.58	1,608
2005	--	277,889	7,258,984	7.36	1,605

(1) General Obligation Bonds less Reimbursable Contracts

(2) Includes Health Education Authority, LA Correctional Facilities Corporation, Public Safety LPFA, Department of Corrections, Office Facilities Corporation, and Unclaimed Property Special Revenue Bonds

(3) Includes LA Community and Technical Colleges and LA Agricultural Finance Authority

(4) Debt Per Capita = Total Primary Government / Population

Bonds are backed by revenue sources except for the General Obligation Bonds. If the other bonds default, then the state pays the principal and interest.

* Information not yet available

** Expressed in whole dollars

LEGAL DEBT MARGIN AND DEBT LIMITATIONS
LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS)

	2014	2013	2012	2011
LEGAL DEBT MARGIN				
BOND AUTHORIZATION LIMITATION	$ 24,492,802	$ 23,292,744	$ 22,551,477	$ 23,423,522
TOTAL NET DEBT APPLICABLE TO LIMITATION	2,817,410	2,524,325	2,543,225	2,205,655
LEGAL DEBT MARGIN	$ 21,675,392	$ 20,768,419	$ 20,008,252	$ 21,217,867
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	11.50%	10.80%	11.28%	9.42%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2014

BSRF REVENUES (3 YEARS)	$ 36,739,203
DEBT LIMIT CALCULATION (Revenues divided by 3 times 2)	24,492,802
DEBT APPLICABLE TO LIMIT:	
GENERAL OBLIGATION BONDS	2,817,410
LEGAL DEBT MARGIN	$ 21,675,392

	2014	2013	2012	2011
TAX-SUPPORTED DEBT LIMITATION				
ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUE PER REVENUE ESTIMATING	$ 10,314,000	$ 9,852,700	$ 9,926,000	$ 9,486,200
PERCENTAGE ESTABLISHED PER LRS 39:1367	6.00%	6.00%	6.00%	6.00%
NET STATE TAX-SUPPORTED DEBT LIMIT	618,840	591,162	595,560	569,172
TOTAL NET STATE TAX-SUPPORTED DEBT PAID	$ 594,468	$ 566,762	$ 518,024	$ 509,161
PERCENTAGE OF ESTIMATED GENERAL FUND AND DEDICATED FUND REVENUES PER REVENUE ESTIMATING	5.76%	5.75%	5.22%	5.37%
GENERAL OBLIGATION DEBT LIMITATION				
THREE YEAR AVERAGE BOND SECURITY REVENUES	$ 12,246,401	$ 11,646,372	$ 11,275,738	$ 11,711,761
PERCENTAGE DEBT LIMITATION	10.00%	10.00%	10.00%	10.00%
GENERAL OBLIGATION DEBT LIMITATION	1,224,640	1,164,637	1,127,574	1,171,176
HIGHEST CURRENT OR FUTURE ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	$ 332,153	$ 316,019	$ 298,833	$ 281,732
PERCENTAGE OF THE GENERAL OBLIGATION DEBT SERVICE REQUIREMENT	27.12%	27.10%	26.50%	24.06%

2010	2009	2008	2007	2006	2005
$ 25,194,775	$ 26,856,498	$ 26,233,962	$ 24,443,616	$ 22,239,690	$ 20,693,990
2,099,285	2,076,570	2,233,980	2,383,665	2,038,810	2,121,610
$ 23,095,490	$ 24,779,928	$ 23,999,982	$ 22,059,951	$ 20,200,880	$ 18,572,380
8.33%	7.73%	8.52%	9.75%	9.16%	10.25%
$ 9,868,300	$ 11,144,900	$ 10,470,000	$ 8,949,200	$ 9,005,330	$ 8,325,500
6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
592,098	668,694	628,200	536,952	540,320	499,530
$ 483,010	$ 421,408	$ 425,828	$ 432,818	$ 289,724	$ 348,715
4.89%	3.78%	4.07%	4.84%	3.22%	4.19%
$ 12,597,387	$ 13,428,249	$ 13,116,981	$ 12,221,817	$ 11,119,845	$ 10,346,995
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
1,259,739	1,342,825	1,311,698	1,222,182	1,111,985	1,034,700
$ 322,987	$ 265,315	$ 265,766	$ 266,212	$ 240,685	$ 240,685
25.64%	19.76%	20.26%	21.78%	21.64%	23.26%

REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

(EXPRESSED IN THOUSANDS EXCEPT COVERAGE RATIO)

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
PRIMARY GOVERNMENT:								
PUBLIC FACILITIES BONDS:								
Louisiana Agricultural Finance Authority *	2014	$ 13,904	$ 4,616	$ 9,288	$ 7,785	$ 1,927	$ 9,712	0.96
	2013	21,402	4,889	16,513	13,577	3,712	17,289	0.96
	2012	15,437	69,006	(53,569)	9,197	2,507	11,704	(4.58)
	2011	16,282	5,186	11,096	9,082	3,034	12,116	0.92
	2010	12,284	5,106	7,178	2,222	3,300	5,522	1.30
	2009	14,764	6,980	7,784	17,222	10,976	28,198	0.28
	2008	10,563	7,529	3,034	300	4,684	4,984	0.61
	2007	7,474	10,286	(2,812)	--	1,171	1,171	(2.40)
	2006	22,866	14,270	8,596	7,608	266	7,874	1.09
	2005	4,624	5,364	(740)	841	929	1,770	(0.42)
Louisiana Community and Technical Colleges *	2014	$ 119,691	$ 464,187	$ (344,496)	$ 10,140	$ 12,182	$ 22,322	(15.43)
	2013	108,778	464,150	(355,372)	24,010	13,646	37,656	(9.44)
	2012	--	--	--	--	--	--	--
	2011	--	--	--	--	--	--	--
	2010	--	--	--	--	--	--	--
	2009	--	--	--	--	--	--	--
	2008	--	--	--	--	--	--	--
	2007	--	--	--	--	--	--	--
	2006	--	--	--	--	--	--	--
	2005	--	--	--	--	--	--	--
Louisiana Correctional Facilities Corporation	2014	$ 636	$ 16	$ 620	$ 1,860	$ 636	$ 2,496	0.25
	2013	721	248	473	1,780	721	2,501	0.19
	2012	805	198	607	1,695	805	2,500	0.24
	2011	880	2,315	(1,435)	1,630	879	2,509	(0.57)
	2010	931	564	367	1,565	943	2,508	0.15
	2009	1,151	144	1,007	1,570	1,092	2,662	0.38
	2008	1,055	58	997	5,335	1,055	6,390	0.16
	2007	1,081	147	934	5,075	857	5,932	0.16
	2006	1,271	161	1,110	4,840	1,097	5,937	0.19
	2005	1,474	34	1,440	4,610	1,326	5,936	0.24
Louisiana Office Facilities Corporation	2014	$ 35,652	$ 58,958	$ (23,306)	$ 1,867	$ 8,770	$ 10,637	(2.19)
	2013	40,741	43,480	(2,739)	18,855	15,557	34,412	(0.08)
	2012	31,464	25,443	6,021	18,290	10,567	28,857	0.21
	2011	36,012	25,003	11,009	17,955	11,853	29,808	0.37
	2010	35,008	23,852	11,156	20,005	9,742	29,747	0.37
	2009	40,644	22,663	17,981	18,055	14,767	32,822	0.55
	2008	43,627	22,091	21,536	17,310	15,515	32,825	0.66
	2007	43,997	20,975	23,022	16,580	16,242	32,822	0.70
	2006	32,529	13,411	19,118	11,680	16,854	28,534	0.67
	2005	33,618	15,555	18,063	11,160	17,364	28,524	0.63
COMPONENT UNITS:								
HOUSING LOAN BONDS:								
Louisiana Housing Corporation	2014	$ 11,894	$ 15,030	$ (3,136)	$ 2,825	$ 334	$ 3,159	(0.99)
	2013	12,302	13,292	$ (990)	740	740	1,480	(0.67)
	2012	21,631	11,379	10,252	2,460	788	3,248	3.16
	2011	43,771	13,205	30,566	7,445	1,161	8,606	3.55
	2010	33,522	13,155	20,367	2,145	1,280	3,425	5.95
	2009	23,462	14,236	9,226	6,572	2,924	9,496	0.97
	2008	17,807	12,284	5,523	12,390	4,055	16,445	0.34
	2007	21,931	10,405	11,526	21,140	2,795	23,935	0.48
	2006	18,716	12,599	6,117	39,965	2,843	42,808	0.14
	2005	14,398	7,494	6,904	4,005	4,299	8,304	0.83

* In Fiscal Year 2013, Louisiana Agricultural Finance Authority and
Louisiana Community and Technical Colleges moved to Primary Government - Proprietary Funds.

Source: Office of Statewide Reporting and Accounting Policy

	FISCAL YEAR ENDED JUNE 30	GROSS REVENUE	DIRECT OPERATING EXPENSES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	ANNUAL DEBT SERVICE	COVERAGE RATIO
INFRASTRUCTURE BONDS:								
Greater Baton Rouge Port Commission	2014	$ 7,520	$ 2,672	$ 4,848	$ 520	$ 217	$ 737	6.58
	2013	7,058	2,436	4,622	490	399	889	5.20
	2012	--	--	--	--	--	--	--
	2011	--	--	--	--	--	--	--
	2010	--	--	--	--	--	--	--
	2009	--	--	--	--	--	--	--
	2008	--	--	--	--	--	--	--
	2007	--	--	--	--	--	--	--
	2006	--	--	--	--	--	--	--
	2005	4,980	4,919	61	320	433	753	0.08
Greater New Orleans Expressway Commission	2014	$ 22,550	$ 13,591	$ 8,959	$ 2,365	$ 1,804	$ 4,169	2.15
	2013	22,741	13,631	9,110	2,265	2,571	4,836	1.88
	2012	21,483	13,699	7,784	2,200	2,456	4,656	1.67
	2011	25,530	14,980	10,550	1,130	2,618	3,748	2.81
	2010	22,662	15,430	7,232	1,955	2,785	4,740	1.53
	2009	23,444	16,622	6,822	1,905	2,848	4,753	1.44
	2008	23,771	14,028	9,743	1,835	2,886	4,721	2.06
	2007	20,402	15,235	5,167	1,760	2,981	4,741	1.09
	2006	14,276	10,925	3,351	1,750	3,013	4,763	0.70
	2005	16,090	11,024	5,066	1,230	1,961	3,191	1.59
Levee Districts	2014	$ 17,655	$ 16,502	$ 1,153	$ 835	$ 297	$ 1,132	1.02
	2013	14,260	13,648	612	1,000	193	1,193	0.51
	2012	73,110	58,198	14,912	4,085	268	4,353	3.43
	2011	74,351	52,626	21,725	2,075	686	2,761	7.87
	2010	73,854	50,941	22,913	46,320	2,942	49,262	0.47
	2009	57,627	64,895	(7,268)	7,855	3,340	11,195	(0.65)
	2008	59,394	27,927	31,467	7,010	3,300	10,310	3.05
	2007	15,654	22,937	(7,283)	6,430	3,846	10,276	(0.71)
	2006	12,734	27,526	(14,792)	5,970	3,948	9,918	(1.49)
	2005	18,629	33,903	(15,274)	5,605	4,232	9,837	(1.55)
Sabine River Authority	2014	$ 9,750	$ 6,585	$ 3,165	$ 1,887	$ 298	$ 2,185	1.45
	2013	8,207	6,468	1,739	1,816	373	2,189	0.79
	2012	8,482	5,947	2,535	900	336	1,236	2.05
	2011	7,945	5,748	2,197	865	156	1,021	2.15
	2010	12,628	5,784	6,844	820	191	1,011	6.77
	2009	8,046	5,893	2,153	2,370	195	2,565	0.84
	2008	8,764	5,791	2,973	730	288	1,018	2.92
	2007	5,755	4,129	1,626	695	274	969	1.68
	2006	4,581	4,457	124	660	386	1,046	0.12
	2005	6,581	4,253	2,328	630	282	912	2.55
PUBLIC FACILITIES BONDS:								
Louisiana Stadium and Exposition District	2014	$ 112,006	$ 71,680	$ 40,326	$ 4,300	$ 13,260	$ 17,560	2.30
	2013	102,513	72,743	29,770	--	4,092	4,092	7.28
	2012	60,879	63,824	(2,945)	--	19,681	19,681	(0.15)
	2011	92,980	60,437	32,543	--	12,619	12,619	2.58
	2010	81,538	60,169	21,369	--	20,748	20,748	1.03
	2009	73,602	55,384	18,218	--	8,692	8,692	2.10
	2008	36,530	55,347	(18,817)	--	5,193	5,193	(3.62)
	2007	25,569	37,868	(12,299)	--	6,904	6,904	(1.78)
	2006	7,404	19,517	(12,113)	4,580	9,586	14,166	(0.86)
	2005	25,130	43,596	(18,466)	4,545	9,820	14,365	(1.29)
STUDENT UNIVERSITY BONDS:								
Colleges and Universities	2014	$ 1,285,814	$ 3,542,227	$ (2,256,413)	$ 38,218	$ 56,107	$ 94,325	(23.92)
	2013	1,144,431	4,236,113	(3,091,682)	78,408	55,100	133,508	(23.16)
	2012	1,184,231	4,858,001	(3,673,770)	55,429	64,667	120,096	(30.59)
	2011	1,078,442	4,992,124	(3,913,682)	34,885	67,588	102,473	(38.19)
	2010	979,671	4,951,958	(3,972,287)	44,420	60,966	105,386	(37.69)
	2009	918,590	3,743,593	(2,825,003)	69,281	59,746	129,027	(21.89)
	2008	901,920	3,610,696	(2,708,776)	82,711	55,265	137,976	(19.63)
	2007	909,169	3,040,456	(2,131,287)	24,406	34,629	59,035	(36.10)
	2006	851,690	4,036,354	(3,184,664)	15,728	22,043	37,771	(84.32)
	2005	848,806	2,916,686	(2,067,880)	75,675	21,739	97,414	(21.23)

State of Louisiana

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

YEAR	POPULATION (A)(B)(1)	PERSONAL INCOME (A)(1)	PER CAPITA PERSONAL INCOME (C)(1)	MEDIAN AGE (2)
2013	4,625	$ 190,589,832	$ 41,204	36.1
2012	4,602	184,340,179	40,057	35.9
2011	4,575	176,356,255	38,549	35.9
2010	4,544	168,230,509	37,021	35.8
2009	4,492	168,544,450	37,520	35.4
2008	4,411	160,658,930	36,424	35.6
2007	4,293	153,569,577	35,770	35.6
2006	4,288	134,504,614	31,369	35.7
2005	4,524	111,200,646	24,582	35.2
2004	4,516	122,913,214	27,581	34.9

YEAR	CIVILIAN LABOR FORCE (A)(3)	LOUISIANA UNEMPLOYMENT RATE (3)	U.S. UNEMPLOYMENT RATE (3)
2013	2,099	6.2%	7.4%
2012	2,084	6.4	8.1
2011	2,060	7.3	8.9
2010	2,082	7.5	9.6
2009	2,068	6.8	9.3
2008	2,079	4.6	5.8
2007	1,998	3.8	4.6
2006	1,990	4.0	4.6
2005	2,077	6.7	5.1
2004	2,058	5.7	5.5

(A) Expressed in thousands
(B) Population figures are estimated and are revised yearly; however, only the original estimates are reported here
(C) Expressed in dollars

Sources: (1) Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis
(2) U.S. Census Bureau
(3) U.S. Department of Labor, Bureau of Labor Statistics

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2014 EMPLOYERS	RANGE
STATE OF LOUISIANA (1)	41,000+
OCHSNER HEALTH SYSTEM	15,000+
LOUISIANA STATE UNIVERSITY SYSTEM (2)	13,000+
UNIVERSITY OF LOUISIANA SYSTEM (2)	5,000 - 9,999
INGALLS SHIPBUILDING	5,000 - 9,999
WILLIS KNIGHTON HEALTH SYSTEM	5,000 - 9,999
HILTON-NEW ORLEANS RIVERSIDE	5,000 - 9,999
LAFAYETTE MEDICAL CENTER	5,000 - 9,999
OUR LADY OF THE LAKE MEDICAL CENTER	5,000 - 9,999
TULANE UNIVERSITY	5,000 - 9,999
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM (1)	1,000 - 4,999
SOUTHERN UNIVERSITY SYSTEM (2)	1,000 - 4,999
US POST OFFICE	1,000 - 4,999
ACADIAN AMBULANCE SERVICE	1,000 - 4,999
BARKSDALE AIR FORCE BASE	1,000 - 4,999

2005 EMPLOYERS *
AVONDALE INDUSTRIES, INC
TULANE UNIVERSITY
OCHSNER CLINIC FOUNDATION
WILLIS KNIGHTON HEALTH SYSTEM
ANSWER-ONE MESSAGE CENTER
J RAY MCDERMOTT INC - MARINE
OCHSNER FOUNDATION HOSPITAL
FABRICATION & OFFSHORE OPERATIONS
SCHUMPERT MEDICAL CENTER
OUR LADY OF THE LAKE MEDICAL CENTER
GRAND CASINO
HORSESHOE CASINO & HOTEL
MEMORIAL MEDICAL CENTER
EAST JEFFERSON GENERAL HOSPITAL
WEST TELEMARKETING SERVICE

* 2005 employer list is from the Office of Statewide Reporting and Accounting Policy archive files - range information is not available and limited to private employers.

(1) Government - Primary
(2) Government - Component Unit

Note: Louisiana Workforce Commission is no longer able to provide largest employer information due to tighter confidentially regulations of the Bureau of Labor Statistics.

LOUISIANA STATE EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2014	2013	2012	2011
GENERAL GOVERNMENT				
CLASSIFIED	6,525	6,011	6,315	6,422
UNCLASSIFIED	3,283	3,661	3,772	3,814
CULTURE, RECREATION, AND TOURISM				
CLASSIFIED	852	603	595	604
UNCLASSIFIED	443	641	579	532
TRANSPORTATION AND DEVELOPMENT				
CLASSIFIED	4,235	4,336	4,441	4,466
UNCLASSIFIED	134	96	101	91
PUBLIC SAFETY				
CLASSIFIED	2,446	2,536	2,548	2,645
UNCLASSIFIED	141	213	239	173
HEALTH AND WELFARE				
CLASSIFIED	10,465	10,002	12,200	13,346
UNCLASSIFIED	912	1,168	1,238	1,142
CORRECTIONS				
CLASSIFIED	4,827	4,758	5,075	5,179
UNCLASSIFIED	77	175	186	142
YOUTH SERVICES *				
CLASSIFIED	800	843	918	916
UNCLASSIFIED	80	106	110	110
CONSERVATION AND ENVIRONMENT				
CLASSIFIED	1,818	1,850	1,928	1,971
UNCLASSIFIED	124	152	145	138
EDUCATION				
CLASSIFIED	759	779	922	1,011
UNCLASSIFIED	1,041	1,871	2,058	2,302
COLLEGES AND UNIVERSITIES				
CLASSIFIED	6,533	10,059	15,563	16,603
UNCLASSIFIED	22,074	22,978	24,428	24,717
OTHER				
CLASSIFIED	1,558	1,525	1,526	1,567
UNCLASSIFIED	900	963	976	983
TOTAL	70,027	75,326	85,863	88,874

* Office of Youth Services moved from Corrections in FY 2006.

Source: Louisiana Department of State Civil Service

2010	2009	2008	2007	2006	2005
6,691	6,410	6,456	6,322	6,138	6,414
3,850	4,056	4,036	4,273	4,229	4,165
659	667	690	665	594	715
525	567	562	406	352	676
4,479	4,668	4,536	4,641	4,705	5,005
98	144	171	122	96	92
2,811	2,836	2,827	2,833	2,835	2,890
156	111	88	96	85	93
15,084	16,965	16,875	16,835	16,373	17,688
1,368	1,455	1,509	1,341	1,030	1,091
5,684	6,145	6,136	5,902	5,794	7,370
140	147	331	334	256	546
971	1,012	1,039	1,005	1,029	--
93	155	203	179	175	--
2,006	2,166	2,152	2,162	2,098	2,239
160	183	177	177	146	244
1,004	1,140	1,158	1,133	1,135	1,269
2,446	2,923	3,017	2,331	1,091	1,165
17,478	18,209	17,931	17,076	16,129	19,759
26,899	27,807	27,813	26,613	25,716	27,663
1,545	1,794	1,793	1,830	2,040	2,189
953	926	973	979	898	827
95,100	100,486	100,473	97,255	92,944	102,100

State of Louisiana

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS

	2014	2013	2012	2011
GENERAL GOVERNMENT				
AGRICULTURE - CROPS (in thousands) - [1]	*	*	$2,962,500	$2,402,228
AGRICULTURE - LIVESTOCK (in thousands) - [1]	*	*	$1,165,382	$1,058,342
AGRICULTURE - TIMBER (in thousands) - [1]	*	425,046	$337,288	$446,905
ELECTIONS - REGISTERED VOTERS (in thousands) - [1]	*	2,918	2,920	2,861
REVENUE - TAX RETURNS FILED (in thousands) - [2]	3,517	3,577	3,952	4,332
REVENUE - TAX RETURNS FILED ELECTRONICALLY - [2]	77%	74%	61%	48%
CULTURE, RECREATION, AND TOURISM				
STATE PARKS VISITORS (in thousands) - [2]	1,747	1,967	2,151	2,242
TRANSPORTATION AND DEVELOPMENT				
NUMBER OF BRIDGES	12,821	12,955	13,095	13,016
PUBLIC SAFETY				
STATE POLICE ROAD PATROL MILEAGE (in thousands) - [2]	8,555	8,958	11,305	13,055
HEALTH AND WELFARE				
DHH - MEDICAID CLAIMS PROCESSED (in thousands) - [2]	53,814	56,395	60,498	64,703
DHH - CHILDREN IMMUNIZED - [3]	*	94%	93%	95%
CORRECTIONS				
AVERAGE DAILY COST PER INMATE BED - [2]	$50.21	$53.43	$54.82	$55.77
CONSERVATION AND ENVIRONMENT				
WLF - FISH AND SHELLFISH (in thousands) - [1]	*	$317,515	$265,092	$238,481
WLF - ALLIGATOR AND GAME (in thousands) - [1]	*	*	$84,738	$66,418
WLF - HUNTER DAYS ANNUALLY (in millions) - [1]	*	7.0	5.4	5.8
WLF - LICENSED COMMERCIAL FISHERMEN - [1]	*	13,272	13,629	14,301
EDUCATION				
GRADES K-12 (number of students) - [3]	*	713,110	707,464	673,968
AVERAGE ACT SCORE - [4]	19.1	20.3	20.3	20.2
START PRINCIPAL DEPOSITS (in thousands, cumulative) - [1]	*	$64,111	$62,913	$52,720
TOPS TUITION AWARDS (in thousands) - [2]	$244,627	$192,085	$166,886	$144,450
TOPS AWARDS RECIPIENTS (number of students) - [2]	48,224	46,263	44,433	43,782
COLLEGES & UNIVERSITIES (number of students) - [5]	*	216,613	221,831	225,835

* Information for this year is not yet available

Sources: [1] based on calendar years
[2] based on fiscal years
[3] based on school year reported on October 1
[4] based on graduating class
[5] based on preliminary reported on September 1

2010	2009	2008	2007	2006	2005
$1,935,528	$1,761,590	$1,984,873	$1,768,902	$1,321,910	$1,204,605
$977,025	$777,568	$1,049,816	$941,322	$864,269	$920,093
$417,493	$408,112	$471,227	$558,445	$727,747	$581,709
2,941	2,916	2,945	2,838	2,894	2,845
4,538	4,663	4,686	4,702	3,848	4,061
53%	48%	45%	45%	41%	32%
2,069	2,079	1,784	1,678	1,596	2,183
13,166	13,154	13,157	13,175	13,181	13,206
13,615	14,373	10,699	9,262	10,119	10,204
62,618	57,261	51,089	64,914	46,725	51,930
95%	99%	93.3%	96.0%	95.3%	95.0%
$55.54	$61.49	$56.25	$48.97	$47.00	$48.99
$188,355	$241,611	$235,494	$289,536	$270,633	$251,895
$38,523	$51,234	$58,882	$74,149	$64,370	$52,617
5.0	4.9	4.9	5.1	5.0	5.0
14,396	12,266	11,207	11,785	12,095	14,120
666,901	656,696	629,264	632,923	636,233	587,205
20.1	20.1	20.3	20.1	20.1	19.8
$50,852	$45,575	$182,970	$171,689	$127,082	$93,217
$129,868	$123,032	$117,146	$121,660	$116,203	$118,882
42,375	43,203	42,031	43,952	42,130	42,435
225,198	220,381	207,760	198,016	195,380	205,300

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	25	25	26	26	26
STATE PARKS (ACREAGE)	32,047	32,271	34,215	34,639	34,215
STATE HISTORIC SITES	21	21	22	22	22
STATE HISTORIC SITES (ACREAGE)	2,567	2,573	2,676	2,676	2,676
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,634	16,606	16,655	16,667	16,678
PARISH ROADS (MILES)	32,735	32,729	32,589	33,375	33,580
CITY STREETS (MILES)	11,936	11,311	11,335	11,559	11,056
BRIDGES ON STATE HIGHWAYS	7,887	7,906	8,013	7,983	7,984
BRIDGES OFF STATE HIGHWAYS	4,934	4,999	5,030	5,033	5,182
PUBLIC SAFETY					
TROOPS	9	9	9	9	9

	2009	2008	2007	2006	2005
CULTURE, RECREATION, AND TOURISM					
STATE PARKS	25	25	24	24	24
STATE PARKS (ACREAGE)	32,428	32,181	30,984	30,984	30,984
STATE HISTORIC SITES	20	20	20	20	21
STATE HISTORIC SITES (ACREAGE)	2,557	2,557	2,539	2,539	2,617
TRANSPORTATION AND DEVELOPMENT					
STATE HIGHWAYS (MILES)	16,682	16,685	16,691	16,691	16,697
PARISH ROADS (MILES)	31,560	33,366	33,280	33,319	33,332
CITY STREETS (MILES)	12,836	11,010	10,949	10,935	10,921
BRIDGES ON STATE HIGHWAYS	7,934	7,931	7,914	7,889	7,899
BRIDGES OFF STATE HIGHWAYS	5,220	5,226	5,261	5,292	5,307
PUBLIC SAFETY					
TROOPS	9	9	9	9	9

Sources: 1. Louisiana Department of Culture, Recreation, and Tourism, Office of Tourism and Office of State Parks
2. Louisiana Department of Transportation and Development, Traffic and Planning Section and Bridge Maintenance Section
3. Louisiana Department of Public Safety and Corrections, Office of State Police

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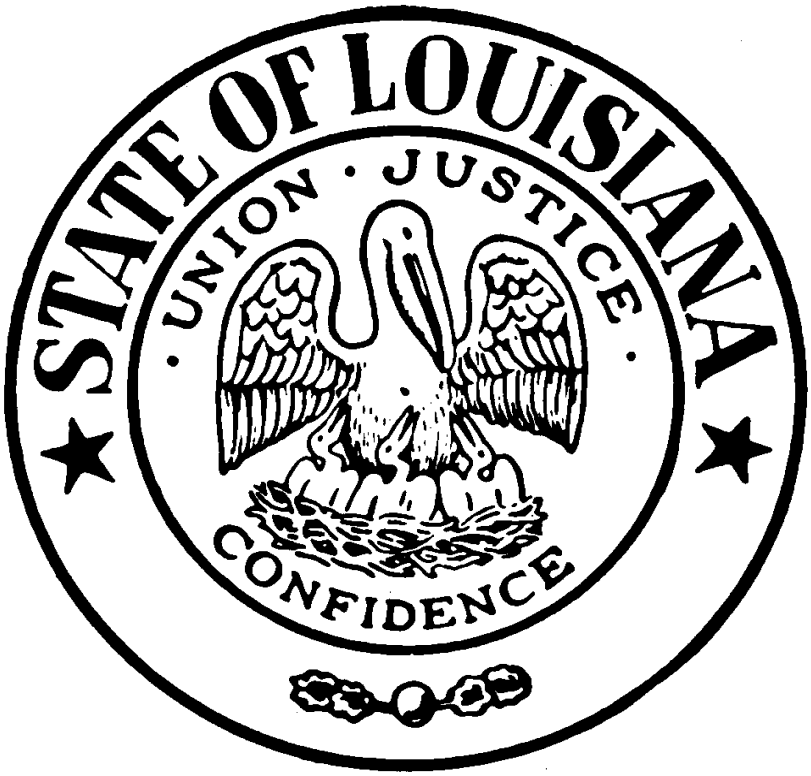
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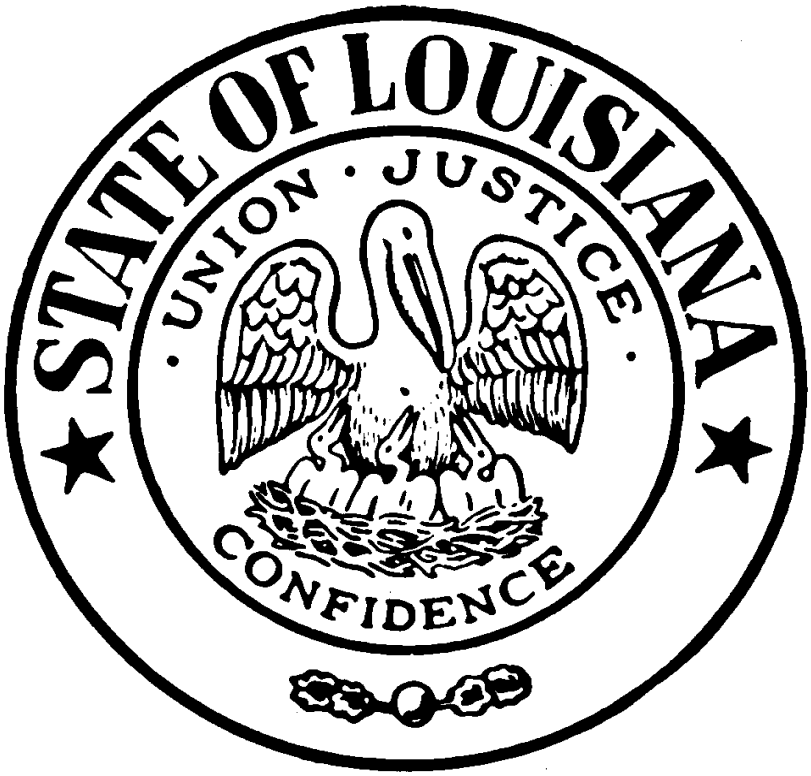
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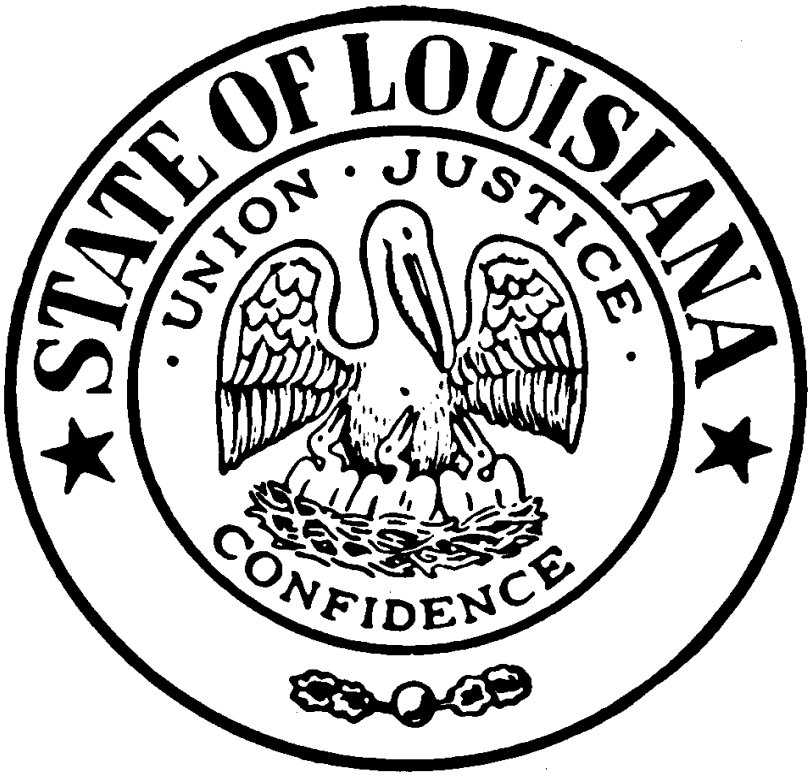
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